

Important Outpatient Prospective Payment System (OPPS) APC – ASC

2nd Quarter (April – June) 2013 Update Information

The Center for Medicare and Medicaid Services (CMS) issues a timed release schedule of the annual/quarterly updates specific to software changes for Optum (MDCH FFS software vendor). MDCH staff closely monitors the CMS site impacting updates. Work immediately begins reviewing policy impacts for coverage of Medicaid service(s) once CMS releases the files for any changes or updated files, (i.e., Integrated Outpatient Code Editor (I/OCE) Specifications, HCPCS, etc).

The Outpatient Prospective Payment System (OPPS) Team meetings are held as the OPPS Team initiates the quarterly update process. A conference call was held with Optum March 20, 2013, to initiate reviewing the 2nd quarter OPPS (APC and ASC) updates.

A timeline is required for Optum to develop the MI specific software version specific to each OPPS update (including any retro changes), perform quality control, internal development and testing period. An additional 6 – 8 weeks is required for internal program updates, quality assurance checks, and regression testing. MDCH includes time and consideration for additional CMS changes following the initial CMS release of the quarterly updates. The Optum software programming is separate and distinct from CHAMPS unit acceptance testing (UAT).

Once Optum has developed the MI APC specific software, the product is delivered to CNSI and scheduled as part of a maintenance release. MDCH works directly with Optum during development, however Optum needs adequate time to modify the MI specific APC product and complete internal control steps/development testing with each release. MDCH's OPPS is a Michigan (Medicaid) specific software product, aligning as closely as possible with Medicare.

MDCH's OPPS requires time for modification to be a MI Specific APC and ASC product. MDCH will recycle any OPH/APC and any ASC claims impacted as a result of the second quarter updates.

OPPS/APC and ASC Wrap Around Code Lists are revised reflecting quarterly updates, reflect any system updates and posted timely to the provider specific sites.

3/06/2013: Medicare Payment Cut Announced

The 2% across-the-board Medicare payment cut (sequestration) was delayed and is now scheduled to take effect April 1, 2013. CMS has not issued instructions on how this cut will be applied to all Fee-for-Service (FFS) claims. MDCH continues to closely monitor the release of information on how CMS will implement the cut and apply it to claims processing. MDCH OPPS providers will be notified via policy bulletin of any RF adjustment.

Update April 15, 2013

Medicaid payment rates to hospitals for services provided in the outpatient hospital setting are calculated as a percentage of Medicare payment rates. The Medicare rate file used by MDCH for pricing Medicaid outpatient hospital claims did not change by CMS on April 1, 2013. The Medicare reduction is applied as the last step of the Medicare payment calculation process. As a result, MDCH did not change its Medicaid OPPS APC or ASC reduction factors on April 1, 2013.