

**Important MDCH Outpatient Prospective Payment Services (OPPS) Updates/Changes
Effective for Date of Service (DOS) on and after October 1, 2011 &
Status of 2nd & 3rd Quarter OPPS Updates (April – July 2011 and August – September 2011)**

A reminder, quarterly software changes for Optum (our software vendor) require approximately three weeks (minimum) for internal program updates, quality assurance checks, and regression testing with consideration for additional CMS changes following initial release of the quarterly updates.

MDCH is in the process of installing the October 2011 APC and ASC updates into the Community Health Automated Medicaid Processing System (CHAMPS). MDCH is currently testing these updates which will be programmed into CHAMPS. This will be scheduled as a systems release as timely as possible, during which time user acceptance testing (UAT) will be completed. MDCH then must schedule the implementation of the quarterly updates/files from Optum within the next upcoming CHAMPS fix/release schedule.

MDCH held the fourth quarter conference calls (early October) with Optum discussing the OPPS fourth quarter changes. The APC and ASC Wrap Around Code Lists are posted to the MDCH website and revised accordingly to reflect quarterly changes.

MDCH will recycle any OPH/APC and any ASC claims impacted as a result of the fourth quarter updates.

Following OPPS protocol, MDCH will claim adjust any claims that may be impacted by a delayed quarterly update implementation. On October 5, 2011, a Biller "B" Aware notice alerted outpatient providers that MDCH would recycle claims resulting from the April/July (2nd & 3rd quarter) 2011 OPPS software and pricing updates.

Clarification: Medicare 0.25% ACA Rate Reduction

MDCH applied the Medicare 0.25% ACA rate reduction effective with the July quarterly rate file updates for dates of service July 1, 2010, and after – not retroactively to January 1, 2010 dates of service. Following management review, no significant impact was identified. MDCH alleviates the administrative burden of adjusting six months worth of prior paid outpatient claims.

Clarification: Multiple Procedure Payment Reduction

To align with Medicare's OPPS, MDCH will be adopting the Multiple Procedure Payment Reduction (MMPR) policy effective for DOS January 1, 2011 and after as part of the October quarterly updates for the Michigan APC product. MDCH will initiate claim adjustments for services that should have been reimbursed under the MMPR once the October Michigan APC updates have been released.