

Bulletin: MSA 10-23

Distribution: Ambulatory Surgical Centers, Medicaid Health Plans, Hospitals

Issued: June 15, 2010

Subject: Ambulatory Surgical Centers – Recognition and Reimbursement

Effective: January 1, 2011

Programs Affected: Medicaid, Children's Special Health Care Services, Maternity Outpatient Medical Services, Plan First!, Adult Benefits Waiver

Pursuant to Section 1642 of Public Act 131 of 2009, the Michigan Department of Community Health (MDCH) will recognize and reimburse Ambulatory Surgical Centers (ASC) as a Medicaid provider effective January 1, 2011.

OVERVIEW

Background

Historically, MDCH has not recognized or reimbursed ASCs as a provider type within the Medicaid program. An ASC is a distinct entity that operates exclusively for the purpose of furnishing outpatient surgical services.

Purpose and Objectives

In an effort to provide greater flexibility to Medicaid beneficiaries seeking outpatient care, MDCH will recognize and reimburse ASC facilities. MDCH will follow Medicare ASC coverage and reimbursement policy, but will apply the current Outpatient Prospective Payment System (OPPS) reduction factor to arrive at the Medicaid ASC reimbursement rate. To facilitate coordination of benefits, MDCH ASC policy will follow, as closely as possible and appropriate, Medicare's current ASC coverage policies, editing, and claim submission requirements. To be eligible for Medicaid enrollment and payment, ASCs must be certified as meeting the requirements for a Medicare ASC and must enter into an agreement with the Centers for Medicare and Medicaid Services (CMS). Per CMS guidelines, an ASC can be either:

- Independent (not part of a provider of services or any other facility); or
- Operated by a hospital (under the common ownership, licensure, or control of a hospital). An ASC operated by a hospital must:
 - Be a separately identifiable entity that is physically, administratively, and financially independent and distinct from other operations of the hospital, with costs for the ASC treated as a non-reimbursable cost center on the hospital's cost report;
 - Agree to the same assignment, coverage, and payment rules applied to independent ASCs; and
 - Comply with the conditions of coverage for ASCs.

MDCH Medicaid Policy Prevails

MDCH policy prevails in cases of disagreement between Medicare and Medicaid; however, for Medicaid beneficiaries with Medicare or commercial health care coverage, the rules of the primary payer must be followed. See the Coordination of Benefits Chapter of the Medicaid Provider Manual for additional information.

ASC PROVIDER ENROLLMENT

ASC facilities must enroll as a Medicaid provider through the online Community Health Automated Medicaid Processing System (CHAMPS). Each facility will need the following information to enroll:

- Type 2 National Provider Identifier (NPI) (Cannot bill NPI for professional services);
- Tax number that is registered with CP Express (Facilities may refer to the following website for more information: <http://www.mi.gov/cpexpress>.);
- Taxonomy code;
- Owner names and Employer Identification Number (EIN) or Social Security Number (SSN) identification;
- Office manager name and SSN identification;
- Billing agent identified;
- License and certification numbers; and
- Address information, including primary practice location, correspondence address, and “pay-to” address.

PAYMENT CALCULATIONS AND BUDGET IMPACT

Budget

MDCH will apply the current OPPS reduction factor to the current Medicare ASC reimbursement rate. The OPPS and ASC reduction rate will continue to be monitored and adjusted as necessary to assure payments do not exceed appropriated funding.

Payment Calculation

Payments for ASC facility services will be calculated utilizing the current Medicare ASC rates with the MDCH OPPS/ASC reduction factor (RF) applied to the calculated payment (Medicare ASC rate x RF= Medicaid rate).

The MDCH payment will be the lesser of the:

- Medicaid fee screen/allowable amount minus any Medicare or other insurance payments, and any applicable Medicaid co-payment, patient-pay, and/or deductible; or
- For fee schedule items, provider’s charge reduced by any contractual adjustments, minus any Medicare or other insurance payments, and any applicable Medicaid co-payment, patient-pay, or deductible amount; or
- Beneficiary’s liability for co-insurance, co-payments, and/or deductibles.

Covered Services

MDCH will follow Medicare’s coverage policies, with Medicaid-specific exceptions outlined by code. Services that are covered differently from Medicare will be addressed in a manner similar to the methodology employed through the OPPS. Likewise, MDCH will provide a listing of services paid under an alternate payment methodology.

Future Bulletins and Guidance

MDCH anticipates issuing subsequent bulletins to outline Medicaid covered ASC services and specific instructions related to ASC coding, billing, and edits. In addition, MDCH will provide technical guidance on ASC claims processing software and future business-to-business (B2B) claims testing that will require the assistance of ASC facilities and their billing experts. Providers are encouraged to submit questions related to ASC implementation to DCH-ASC@michigan.gov.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

APPROVED

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive, flowing style.

Stephen Fitton, Director
Medical Services Administration