



Bulletin

Michigan Department of Community Health

Distribution: Medical Suppliers 03-02

Issued: September 1, 2003

Subject: Reduction of Fee Rates Higher than Medicare

Effective: October 1, 2003

Programs Affected: Medicaid, Children's Special Health Care Services, State Medical Plan

The Michigan Medicaid Program is jointly administered by the Centers for Medicare and Medicaid Services (CMS) and by our state agency through the Michigan Department of Community Health (MDCH).

In a recent audit of Medicaid payment amounts, the Office of Inspector General (OIG) of the Department of Health and Human Services (HHS) found that Michigan and other State Medicaid Programs have reimbursement rates for certain services that are higher than the Medicare allowable amounts for the same items. Changes in the Medicare fee schedules under the Balanced Budget Act of 1997 have reduced national Medicare payment levels for a number of items. Many states, including Michigan, did not consider these reductions in comparison to Medicaid payment levels.

Currently, over 50% of Michigan Medicaid payments are federally matched funds. The OIG report concluded that considerable savings in federal matching funds paid to Medicaid Programs could be achieved by limiting payment rates to the Medicare limits.

To comply with the OIG Audit recommendations, the procedure codes and new payment rates listed on the attached table will be effective for dates of service on and after October 1, 2003. At the same time, the savings achieved through these reductions enables the MDCH to implement increases for a limited number of rates that were considerably below the Medicare payment rates. The fiscal impact of both changes will not impact the overall budget amounts for these services.

In the future, revisions to the Medicaid fee schedule as a result of changes in Medicare rates or rate errors will be corrected directly on the MDCH Database without publishing a MDCH Bulletin.

Manual Maintenance

Retain this bulletin for future reference.

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 ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll free 1-800-292-2550.

Approval

A handwritten signature in black ink that reads "Paul Reinhart". The signature is fluid and cursive, with a large initial "P" and "R".

Paul Reinhart
Director
Medical Services Administration

PROCEDURE CODES AND FEE SCREEN REVISIONS

| HCPCS CODE | MODIFIER | FEE SCREEN |
|------------|----------|------------|
| A4221 | | \$22.64 |
| A4232 | | \$2.65 |
| A4253 | | \$38.51 |
| A4311 | | \$14.84 |
| A4313 | | \$15.74 |
| A4330 | | \$7.15 |
| A4333 | | \$2.20 |
| A4338 | | \$12.26 |
| A4351 | | \$1.81 |
| A4361 | | \$18.37 |
| A4364 | | \$2.93 |
| A4367 | | \$6.25 |
| A4368 | | \$0.26 |
| A4369 | | \$2.42 |
| A4371 | | \$3.65 |
| A4397 | | \$4.79 |
| A4398 | | \$13.81 |
| A4400 | | \$41.54 |
| A4402 | | \$1.60 |
| A4455 | | \$1.43 |
| A4614 | | \$23.78 |
| A4621 | | \$1.39 |
| A5062 | | \$2.19 |
| A6216 | | \$0.05 |
| B4036 | | \$7.39 |
| B4150 | | \$0.62 |
| B4152 | | \$0.52 |
| E0100 | | \$17.91 |
| E0110 | | \$65.95 |
| E0130 | | \$59.70 |
| E0130 | RR | \$5.97 |
| E0142 | | \$146.18 |
| E0142 | RR | \$14.62 |
| E0144 | | \$318.45 |
| E0144 | RR | \$31.86 |
| E0145 | | \$176.40 |
| E0145 | RR | \$17.64 |
| E0149 | | \$223.20 |
| E0149 | RR | \$22.32 |
| E0153 | | \$58.97 |
| E0154 | | \$59.93 |
| E0154 | RR | \$5.99 |
| E0159 | | \$17.87 |
| E0163 | | \$110.29 |
| E0163 | RR | \$11.03 |
| E0164 | | \$166.85 |
| E0164 | RR | \$16.69 |
| E0165 | | \$185.80 |
| E0165 | RR | \$18.58 |

| HCPCS CODE | MODIFIER | FEE SCREEN |
|------------|----------|------------|
| E0166 | | \$311.40 |
| E0166 | RR | \$31.14 |
| E0167 | | \$12.00 |
| E0176 | | \$107.11 |
| E0176 | RR | \$10.71 |
| E0180 | | \$217.30 |
| E0180 | RR | \$21.73 |
| E0181 | | \$230.03 |
| E0181 | RR | \$23.03 |
| E0182 | | \$222.50 |
| E0182 | RR | \$22.25 |
| E0184 | | \$165.50 |
| E0185 | | \$271.88 |
| E0186 | | \$203.00 |
| E0186 | RR | \$20.30 |
| E0189 | | \$44.17 |
| E0192 | | \$330.38 |
| E0192 | RR | \$33.04 |
| E0197 | | \$214.05 |
| E0197 | RR | \$30.57 |
| E0202 | RR | \$62.61 |
| E0250 | | \$977.60 |
| E0250 | RR | \$97.76 |
| E0256 | | \$833.50 |
| E0256 | RR | \$83.35 |
| E0271 | | \$189.77 |
| E0276 | | \$13.30 |
| E0292 | | \$840.40 |
| E0292 | RR | \$84.04 |
| E0293 | | \$707.90 |
| E0293 | RR | \$70.79 |
| E0294 | | \$1306.50 |
| E0294 | RR | \$130.65 |
| E0296 | | \$1642.00 |
| E0296 | RR | \$164.20 |
| E0297 | | \$1328.00 |
| E0297 | RR | \$132.80 |
| E0305 | | \$153.40 |
| E0305 | RR | \$15.34 |
| E0325 | | \$8.59 |
| E0326 | | \$8.93 |
| E0424 | RR | \$228.80 |
| E0431 | RR | \$35.97 |
| E0434 | RR | \$35.97 |
| E0443 | | \$21.41 |
| E0450 | RR | \$954.52 |
| E0462 | RR | \$247.69 |
| E0480 | | \$373.50 |
| E0480 | RR | \$37.35 |

| HCPCS CODE | MODIFIER | FEE SCREEN |
|------------|----------|-------------|
| E0575 | | \$1022.80 |
| E0575 | RR | \$102.28 |
| E0585 | | \$298.10 |
| E0585 | RR | \$29.81 |
| E0607 | | \$66.82 |
| E0607 | RR | \$6.68 |
| E0635 | | \$1223.60 |
| E0635 | RR | \$122.36 |
| E0650 | | \$612.19 |
| E0650 | RR | \$61.22 |
| E0665 | | \$125.32 |
| E0665 | RR | \$12.54 |
| E0667 | | \$365.60 |
| E0667 | RR | \$36.56 |
| E0668 | | \$375.60 |
| E0668 | RR | \$37.07 |
| E0669 | | \$181.01 |
| E0669 | RR | \$18.10 |
| E0720 | | \$346.93 |
| E0720 | RR | \$34.69 |
| E0730 | | \$370.56 |
| E0730 | RR | \$37.06 |
| E0920 | | \$392.20 |
| E0920 | RR | \$39.22 |
| E0943 | | \$23.52 |
| E0998 | | \$38.28 |
| E0999 | | \$97.72 |
| E1014 | | \$365.14 |
| E1014 | RR | \$36.52 |
| E1227 | | \$277.50 |
| E1230 | | \$1922.52 |
| E1230 | RR | \$192.25 |
| E1232 | | \$2,1348.41 |
| E1233 | | \$2,215.73 |
| E1234 | | \$1,928.95 |
| E1235 | | \$1,857.43 |
| E1237 | | \$1,653.05 |
| E1297 | | \$104.61 |
| E1298 | | \$360.10 |
| E1390 | RR | \$228.80 |
| K0001 | | \$546.20 |
| K0001 | RR | \$54.62 |
| K0003 | | \$775.50 |
| K0003 | RR | \$77.55 |
| K0005 | | \$1848.76 |
| K0005 | RR | \$184.86 |
| K0011 | | \$5065.50 |
| K0011 | RR | \$506.55 |
| K0012 | | \$3107.40 |

| HCPCS CODE | MODIFIER | FEE SCREEN |
|------------|----------|------------|
| K0012 | RR | \$310.74 |
| K0021 | | \$64.90 |
| K0021 | RP | \$64.90 |
| K0021 | RR | \$6.46 |
| K0023 | | \$93.20 |
| K0023 | RP | \$93.20 |
| K0023 | RR | \$9.33 |
| K0024 | | \$110.32 |
| K0024 | RP | \$110.32 |
| K0024 | RR | \$11.03 |
| K0025 | | \$71.37 |
| K0025 | RP | \$71.37 |
| K0025 | RR | \$7.04 |
| K0027 | | \$39.40 |
| K0027 | RP | \$39.40 |
| K0027 | RR | \$3.94 |
| K0028 | | \$545.65 |
| K0028 | RP | \$545.65 |
| K0028 | RR | \$54.57 |
| K0030 | | \$80.88 |
| K0030 | RP | \$80.88 |
| K0030 | RR | \$7.86 |
| K0031 | | \$36.40 |
| K0031 | RP | \$36.40 |
| K0031 | RR | \$3.64 |
| K0032 | | \$41.50 |
| K0032 | RP | \$41.50 |
| K0032 | RR | \$4.15 |
| K0038 | | \$24.26 |
| K0038 | RP | \$24.26 |
| K0038 | RR | \$2.43 |
| K0048 | | \$112.40 |
| K0048 | RP | \$112.40 |
| K0048 | RR | \$11.24 |
| K0053 | | \$102.01 |
| K0053 | RP | \$102.01 |
| K0053 | RR | \$10.19 |

| HCPCS CODE | MODIFIER | FEE SCREEN |
|------------|----------|------------|
| K0054 | | \$104.12 |
| K0054 | RR | \$10.46 |
| K0058 | | \$60.37 |
| K0058 | RR | \$6.04 |
| K0062 | | \$61.01 |
| K0062 | RP | \$61.01 |
| K0062 | RR | \$6.12 |
| K0063 | | \$81.46 |
| K0063 | RP | \$81.46 |
| K0063 | RR | \$8.15 |
| K0064 | | \$30.41 |
| K0064 | RP | \$30.41 |
| K0064 | RR | \$3.05 |
| K0065 | | \$44.46 |
| K0065 | RP | \$44.46 |
| K0065 | RR | \$4.45 |
| K0067 | | \$34.10 |
| K0067 | RP | \$34.10 |
| K0067 | RR | \$3.41 |
| K0073 | | \$34.80 |
| K0073 | RP | \$34.80 |
| K0073 | RR | \$3.48 |
| K0107 | | \$103.95 |
| K0107 | RP | \$103.95 |
| K0107 | RR | \$10.41 |
| K0532 | RR | \$218.11 |
| L0120 | | \$21.28 |
| L0454 | | \$283.42 |
| L0486 | | \$949.48 |
| L0488 | | \$820.30 |
| L0530 | | \$363.17 |
| L1510 | | \$957.56 |
| L1800 | | \$50.60 |
| L1930 | | \$202.83 |
| L2375 | | \$99.05 |
| L2660 | | \$144.25 |
| L3940 | | \$96.35 |

| HCPCS CODE | MODIFIER | FEE SCREEN |
|------------|----------|------------|
| L5618 | | \$269.51 |
| L5620 | | \$239.13 |
| L5622 | | \$322.15 |
| L5624 | | \$322.04 |
| L5626 | | \$509.82 |
| L5628 | | \$516.27 |
| L5637 | | \$308.91 |
| L5650 | | \$391.51 |
| L5652 | | \$349.64 |
| L5655 | | \$228.34 |
| L5666 | | \$61.84 |
| L5670 | | \$217.61 |
| L5671 | | \$398.91 |
| L5672 | | \$287.96 |
| L5690 | | \$100.65 |
| L5974 | | \$186.88 |
| L6600 | | \$182.97 |
| L6605 | | \$188.32 |
| L6680 | | \$248.09 |
| L6682 | | \$274.29 |
| L6684 | | \$372.73 |
| L6873 | | \$375.16 |
| L6880 | | \$539.19 |
| L6935 | | \$7184.87 |
| L8001 | | \$101.19 |
| L8002 | | \$133.08 |
| L8015 | | \$48.35 |
| L8500 | | \$530.81 |