

Bulletin Number: MSA 10-63

Distribution: Outpatient Hospitals, Ambulatory Surgical Centers, and Medicaid Health Plans

Issued: December 2, 2010

Subject: Ambulatory Surgical Centers – Coding and Billing

Effective: January 1, 2011

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

The Michigan Department of Community Health (MDCH) will recognize Ambulatory Surgical Centers (ASC) as a Medicaid provider effective January 1, 2011, and published bulletin MSA 10-23 indicating additional instructions would be provided related to ASC coding and billing. The purpose of this bulletin is to provide this information for Medicaid covered ASC services.

Covered Services

The MDCH ASCs will follow as closely as possible and appropriate to Medicare's current ASC coverage policies and claim submission requirements. To facilitate coordination of benefits (COB), the rules of the primary payer must be followed. See the Coordination of Benefits Chapter in the Medicaid Provider Manual for additional information.

ASC Payment – Status Indicators

The Centers for Medicare and Medicaid Services (CMS) assigns a single character status indicator to each Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) code identifying if a code will be paid and how it will be paid. MDCH adopted the CMS ASC status indicators.

MDCH intends to cover certain categories of codes (i.e., family planning services, non-Medicare covered services) differently than Medicare and created the following alpha/numeric status indicators for the ASC Wrap Around Code List:

AA 1 = Non-Medicare covered services/MDCH lab service

AA 2 = Non-Medicare Covered Adult Vaccine

AA 3 = Vaccines for Children (VFC Program) [\$0.00]

RR 1 = State Plan Reimbursement

The ASC Wrap Around Code List will be revised with ASC quarterly updates and as needed to align with Medicare's ASC updates. This will be posted on the MDCH website at

www.michigan.gov/medicaidproviders.

Packaged Service/Item – N1

MDCH will follow Medicare guidelines for packaged/bundled service costs. ASC services having a status indicator of “N1” are considered packaged service/item with no separate payment made.

Multiple Procedures

MDCH will follow Medicare rules for multiple procedures.

Bilateral Procedures

MDCH will follow Medicare rules for bilateral procedures. Multiple procedure reduction of 50 percent applies to all bilateral procedures subject to multiple procedure discounting.

Discounted Procedures

MDCH will follow Medicare rules for discounted procedures.

Application of Statewide Cost to Charge Ratio

The Outpatient Prospective Payment System (OPPS)/ASC reduction factor will not be applied to services where the statewide cost to charge ratio is applied (status indicators F4, J7, K7).

Billing Information

Medicaid enrolled ASC providers must use the ASC X12 837 4010 A1 professional format when submitting electronic claims (CMS 1500 paper claim) form. Providers are encouraged to bill electronically.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments in writing to:

Attn: Susan Schwenn
MDCH/MSA
PO Box 30479
Lansing, Michigan 48909-7979
Or
E-mail: schwenns@michigan.gov

If responding by e-mail, please include “ASC Billing Policy” in the subject line.

Comments received will be considered for revisions to the change implemented by this bulletin.

Manual Maintenance

Retain this bulletin until applicable 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, 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.

Approved

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive style with a prominent initial "S".

Stephen Fitton, Director
Medical Services Administration