

Bulletin Number: MSA 14-51

Distribution: Hospitals, Ambulatory Surgical Centers (ASCs), Hospital-Owned Ambulance, Comprehensive Outpatient Rehabilitation Facilities, Rehab Agencies, Freestanding Dialysis Centers, Medicaid Health Plans, County Health Plans

Issued: December 1, 2014

Subject: Outpatient Prospective Payment System and Ambulatory Surgical Center Reduction Factor

Effective: January 1, 2015

Programs Affected: Medicaid, Children's Special Health Care Services (CSHCS), Maternal Outpatient Medical Services (MOMS)

The purpose of this bulletin is to update the Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) statewide budget-neutrality reduction factor.

In October 2014, the Centers for Medicare and Medicaid Services (CMS) finalized changes to the Calendar Year 2015 Medicare OPPS. To maintain budget neutrality for the Medicaid program, the Medicaid OPPS and ASC reduction factor will be adjusted from 53.4% to 52.3% effective for dates of service on or after January 1, 2015, in accordance with the CMS final rule.

Bulletin MSA 06-47 stated that the Michigan Department of Community Health (MDCH) may adjust its reduction factor to maintain expenditures within appropriated levels if Medicare implements a general rate increase. In addition, MSA 07-12 stated MDCH reserves the right to adjust the reduction factor if budget concerns are evident and changing significantly prior to the end of the State's fiscal year.

In future years, the OPPS and ASC reduction factor will be automatically updated to be effective on January 1, following the release of the Medicare OPPS Final Rule to maintain budget neutrality. A historical record of the reduction factor will be maintained on the MDCH website at: www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Outpatient Hospitals.

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: Ben Ayres
MDCH/MSA
PO Box 30479
Lansing, Michigan 48909-7979
Or
E-mail: ayresb@michigan.gov

If responding by e-mail, please include "OPPS/ASC Reduction Factor" in the subject line.

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

Manual Maintenance

Retain this bulletin until the information is 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



Stephen Fitton, Director
Medical Services Administration