

2018 Workers' Compensation Ambulatory Surgical Center Payment System

Lisa Wichterman | Medical Policy Specialist

Becky Jo Fister | St. Cloud Surgery Center

In developing this presentation, the Department of Labor and Industry (DLI) has made every effort to accurately reflect the 2018 legislation, which is codified as Minnesota Statutes § 176.1363. The statutory language controls in the event of a difference between this presentation and the statute.

ASC Background

- The workers' compensation Ambulatory Surgery Center payment system (ASCPS) is codified as Minnesota Statutes, § 176.1363.
- The ASCPS establishes payment for ASCs using the Medicare ASCPS payment for the services, including the applicable geographic adjustment, times a multiplier of 320 percent.
- ASCPS addenda, instructions and other materials are available on <u>DLI's website</u>.

ASCPS Based on Medicare

The Minnesota workers' compensation ASC fee schedule incorporates Medicare's:

- Geographic adjustment and the multiple surgical procedure reduction rule.
- Annual revisions to the Code of Federal Regulations title 42, part 416.
- Addenda AA, BB, and DD1.
- The Medicare claims processing manual.

Payment for Surgical and Ancillary Services

- Payment for dates of service 10/1/18 to 9/30/19 is:
 - based on most recent addenda AA, BB, and DD1 available on the Medicare website as of 7/1/18, and the corresponding Medicare rules and claims processing manual.
- Payment for dates of service on or after each subsequent October 1 is:
 - based on most recent addenda AA, BB, and DD1 available on the Medicare website as of the preceding July 1st, and corresponding Medicare rules and claims processing manual.
- Links to the applicable Medicare addenda and claims processing manual are on <u>DLI's website</u>.

Payment for Surgical and Ancillary Services

Payment for covered surgical procedures and ancillary services is the *lesser* of:

- ASC's U&C charge for all services, supplies and implantable devices provided; or
- The Medicare ASCPS amount times a multiplier of 320 percent.
 - Payment includes implantable devices, even if Medicare ASCPS allows separate payment.

Payments where no payment amount is specified

Payment is 75% of the ASC's usual and customary charge if a surgical procedure or ancillary service *is* listed in addendum AA or BB and:

- The payment indictor provides it is paid at "reasonable cost";
- The payment indictor provides it is "contractor priced"; or
- A payment rate is not otherwise provided.

Payments for services not listed in Addendum AA or BB

If a surgical procedure is compensable under workers' compensation, but is not listed in addendum AA or BB in effect for the date of service:

- Payment is 75% of the ASC's U&C charge for the procedure with the highest charge.
- Payment is 50% of the ASC's U&C charge for each subsequent surgical procedure.

ASC Payments

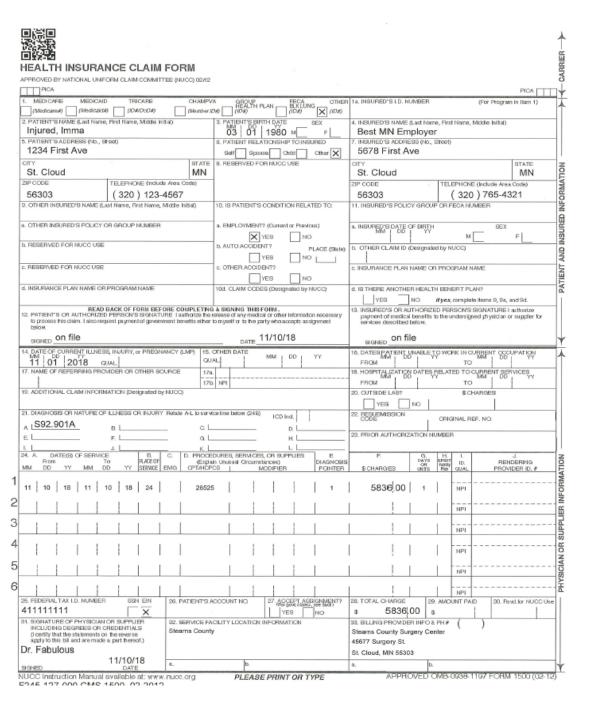
- Minnesota payment = Medicare payment rate x ((.5 x wage index) +.5) x 320%.
 For example, a wrist arthroscopy/surgery (HCPCS code 29843) would be:
 - \circ For an ASC in Hennepin County: \$1,279.91 x ((.5 x 1.1295) +.5) x 320% = \$4,360.91.
 - For an ASC in Kandiyohi County: \$1,279.91 x ((.5 x .9001) +.5) x 320% = \$3,891.13
- Optional National Government Services <u>Tool</u>:
 - Use July 1, **2018** for a date of service from Oct. 1, 2018 through Sept. 30, 2019
 - Multiply the "amount column" by 320%.

Payment for multiple procedures

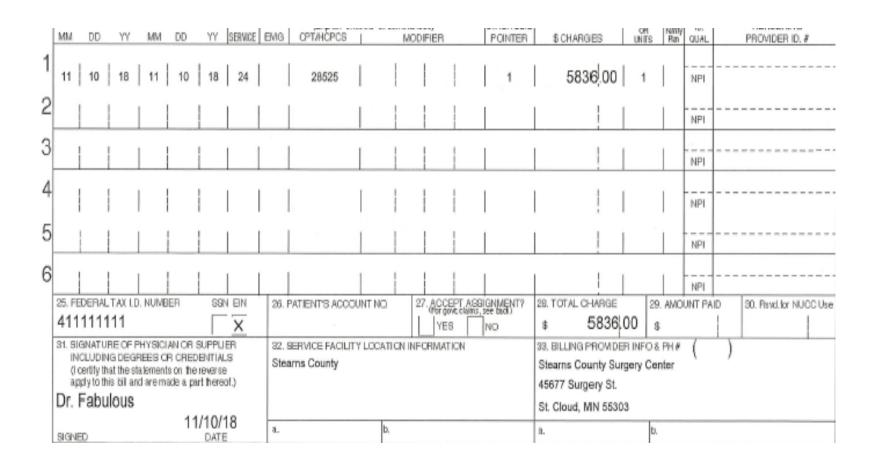
When more than one surgical procedure is performed on the same day and both have a "Y" in the multiple procedure column (column D) of addendum AA:

- The procedure with the highest payment amount is paid using 100% of the payable amount.
- Procedures with a lower payment amount are paid using 50% of the payable amount.

Examples



CPT Code 28525



FEE SCHEDULE LOOKUP

To initiate a search, select a fee schedule type from the drop-down menu, complete all required fields, then select **Search**.

ENTER SEA	RCH	CRITERIA	4								
*Select a Fee Sch	hedule	e: ASC Fee	es			•					
*Result Type:		O Full F	ee Sch	edule 🌘 S	Specific To	Fee Code					
*Date of Service	:	07/01/20	18								
* Procedure Coo	de:	28525									
*Region:		Minneso	ta	•							
*County:		STEAR	NS		•						
Search								(* indica	ates a required field)		
CODE SEARCH	l RES	ULTS									
National Government Services, Inc Minnesota ASC Fees Fee Schedule for 07/01/2018 Procedure Code ?: 28525											
Modifier ?	Eff	ective Date ?	CBSA	?	Proc Ind	? A	mount ?	FC Mod Amount ?	FB Mod Amount ?		
	01.	/01/2018	41060)	S	1	,271.14	0.00	0.00		
Penalty Price		FC Mod Pen F	C Mod Pen Price		FB Mod Pen Price						
1,246.01	,246.01 0.00			0.00							

Example Payment

- From NGS tool
 - \$1271.14 x 320% = \$4067.65
- Manual calculation
 - Minnesota payment = Medicare payment rate x ((.5 x wage index) +.5) x 320%.
 - For an ASC in Stearns County: $$1,279.91 \times ((.5 \times 0.9863) + .5) \times 320\% = 4067.65
- Payment amount is \$4067.65 because it is less than the U&C charge of \$5836.00

Multiple Procedures Example

	24. A.	D.4	TE (C) /	-	,		T 5		N. L											
	24. A.	From	16(9)	OF SERVI	To		B. PLACE OF	C.	D. PROCEDURE (Explain Uni				IES	E. DIAGNOSIS	F.	G. DAYS	H. EPS01	J.	J. RENDERING	
	MM	DD	YY		DD	YY	SERVICE	EMG	CPT/HCPCS			IFIER		PONTER	\$CHARGES	UNITS	Family Flan	ID. QUAL	PROVIDER ID.	
1	11	10	18	11	10	18	24		29827					123	9000,00			NPI		
2	11	10	18	11	10	18	2		23430					123	8800.00			 NPI		
3											1						1	 NPI		
4																		 NPI		
5									n —							i I		NPI		
6	- 1	1							í		1	1 1								
	i	i		<u> </u>							İ	i i						NPI		
		DERAL 1111		. NUMBEI	R	188	I EIN	26. F	PATIENT'S ACCOL	JNT NO.	2	7. ACCEF For gov	PT ASS Lolaims,	IGNMENT? see back)	28. TOTAL CHARGE \$ 17800		9. AMO \$	UNT PA	ID 30. Rsvd.for NU	CC Use
	31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)					32. 8	32. SERVICE FACILITY LOCATION INFORMATION					33. BILLING PROVIDER INFO & PH # () Stearns County Surgery Center 45677 Surgery St.								
	Dr Fabulous 11/10/18											St. Cloud, MN 55303								
	SIGNE	THE OWNER OF THE OWNER OF			71/	10/2		a.		b.					a.	b.				

Check <u>Addendum AA</u> if Procedure is Subject to Multiple Procedure Discounting

Α	В	D	E	F	G								
Addendum AAFinal ASC Covered Surgical Procedures for CY 2018 (Including Surgical Procedures for Which													
Payment is Packaged)													
CPT codes and descriptions only are copyright 2016 American Medical Association. All Rights Reserved.													
Applicable FARS/DFARS Apply. Dental codes (D codes) are copyright 2016 American Dental Association. All													
	Rig	hts Reserved.											
		C-1-144-											
		Subject to Multiple	July 2018	July 2018	July 2018								
HCPCS		Procedure	Payment	Payment	Payment								
Code	Short Descriptor	Discounting	Indicator	Weight	Rate								
29827	Arthroscop rotator cuff repr	Y	A2	59.7119	\$2,721.37								
23430	Repair biceps tendon	Y	A2	59.7119	\$2,721.37								

Payment Amount

- NGS Tool "amount" CPT 29827 is \$2702.73 x 320% = \$8648.74
 - NGS tool "amount" includes geographic adjustment for Stearns County.
- NGS Tool "amount" CPT 23430 is \$2702.73 x 320% = \$8648.74. Multiply \$8,648.74 x $.5 = \frac{$4324.37}{}$
- Total payment for multiple procedures (highest ASC payment amount at 100% and lower ASC payment amount at 50%) \$8648.74 + \$4324.37 = \$12,973.11. This is the total payment because it is less than the total billed charge of \$17,800.

www.dli.mn.gov

Questions

Contact the Medical Policy Line at 651-284-5052

E-mail medical.policy.dli@state.mn.us