



Department of Medicaid

John R. Kasich, Governor
Barbara R. Sears, Director

Medicaid Transmittal Letter (MTL) No. 3351-17-01

TO: Eligible ASC Providers
Chief Executive Officers, Managed Care Plans (MCPs)
Directors, County Departments of Job and Family Services

FROM: Barbara R. Sears, Director

SUBJECT: Ambulatory Surgery Center Reimbursement

Summary

This Medicaid Transmittal Letter (MTL) provides information pertaining to the new Ambulatory Surgery Center (ASC) reimbursement methodology.

Ohio Administrative Code (OAC) rule 5160-22-01 entitled **Ambulatory Surgery Center (ASC) services: provider eligibility, coverage, and reimbursement** has been rescinded and replaced by a new rule 5160-22-01, to describe the new Enhanced Ambulatory Patient Group (EAPG) payment methodology for ASCs. Rescinded rule 5160-22-01 set forth the definition of an ASC, the eligibility requirements for ASCs, defined what services are covered for ASCs and how the services would be reimbursed. The definition of an ASC, eligibility requirements and covered services have been incorporated into the new rule 5160-22-01.

Ohio Administrative Code (OAC) rule 5160-22-01 entitled **Ambulatory Surgery Center (ASC) services: provider eligibility, coverage, and reimbursement** is a new rule to describe the new Enhanced Ambulatory Patient Group (EAPG) payment methodology for ASCs. This new rule incorporates some provisions of OAC 5160-22-01 which is being rescinded. It sets forth the definition of an ASC, how an ASC can become an eligible Medicaid provider, and describes the covered ASC services. It sets forth the requirements for reimbursement for laboratory services, radiological services, and diagnostic and therapeutic procedures. Providers may only bill for the technical component of laboratory, radiology and diagnostic and therapeutic services. Laboratory and radiology services are reimbursed the lesser of the provider's billed charges or the calculated reimbursement rate. The new policy in this rule describes the new EAPG reimbursement methodology, as well as a new provision requiring prior authorization for certain CPT codes. Under this new reimbursement methodology, each service on a claim is grouped to an EAPG. An EAPG groups together services that are similar in nature, have similar costs and utilizes similar material. For each EAPG a relative weight is developed, which reflects the relativity of the costs for the services in that EAPG. Reimbursement for a service is the product of the provider's base rate and the EAPG's relative weight, then any discounting, consolidation or packaging is taken

into account. Reimbursement for EAPGs 0134 and 0149 is increased an additional ten percent prior to the discounting and packaging step. Pharmaceuticals and durable medical equipment that group to certain EAPGs, when not consolidated or packaged, are paid outside of the EAPG methodology.

Access to Rules and Related Material

Stakeholders who want to receive notification when ODM original or final files a rule package may visit JCARR's RuleWatch at www.rulewatchohio.gov where an account can be created to be notified of rule actions by rule number or department.

Stakeholders can subscribe to receive notification when a clearance or BIA is posted for public comment on the Ohio Business Gateway here:

<http://business.ohio.gov/reform/enotify/subscription.aspx>

The main web page of the ODM includes links to valuable information about its services and programs; the address is <http://medicaid.ohio.gov/>.

Information about hospital payment policies is available on the 'Fee Schedule and Rates' web page, which may be accessed through the main ODM web page (Providers > Fee Schedule and Rates).

Additional Information

Questions pertaining to this letter should be addressed to:

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