

Affected Programs: BadgerCare Plus, Medicaid

To: Ambulatory Surgery Centers, HMOs and Other Managed Care Programs

New Reimbursement Rates for Services Provided by Ambulatory Surgical Centers

Background

The 2017-2019 Wisconsin State Budget (2017 Wisconsin Act 59) provided for additional funding to ambulatory surgical centers (ASC), while also permanently discontinuing ASC access payments for both fee-for-service claims and managed care encounters. In addition, the legislation eliminated the Ambulatory Surgical Center Assessment effective in fiscal year 2018. This *ForwardHealth Update* describes the rate increase associated with the additional funding.

ASC Rate Increase Methodology

ASCs are reimbursed through a tiered-rate system wherein each billable procedure code is assigned to a Medicaid tier. When an ASC submits a claim for payment with multiple procedures, Wisconsin Medicaid reimburses the highest-tier procedure code on the claim.

To determine new rates, ForwardHealth re-evaluated all covered ASC procedure codes and compared them to current Medicare rates. If the current Medicare rate exceeded the current Medicaid rate, ForwardHealth increased reimbursement for the procedure code to the highest Medicaid tier available that did not exceed the Medicare rate. As a result of this review, more than 2,500 procedure codes were assigned to higher tier rates. Additionally, ForwardHealth slightly increased the rates for all Medicaid tiers.

Rate Periods and Retroactive Adjustments

Effective for dates of service (DOS) on and after January 1, 2018, ASC claims will be reimbursed based on the updated tier assignments and tier rate increase as previously described.

The tier rates will be subject to an additional increase for DOS between January 1, 2018, and June 30, 2018, in order to pay out the additional funding that was budgeted for the third and fourth quarters of calendar year CY 2017. Refer to the ASC Tier System Guide in the Attachment of this *Update* for rates per pay period.

ForwardHealth began processing claims using the new rates on April 20, 2018. Any claims for DOS **on and after** January 1, 2018, and submitted prior to April 20, 2018, will be retroactively adjusted by applying the updated rates. This adjustment activity will occur automatically in June and July of 2018. Providers will receive a message on their Remittance Advice when adjustments are processed.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Medicaid Services, the Wisconsin Department of Health Services (DHS). The Wisconsin AIDS Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health, DHS.

For questions, call Provider Services at 800-947-9627 or visit our website at www.forwardhealth.wi.gov/.

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This *Update* was issued on 07/03/2018 and information contained in this *Update* was incorporated into the Online Handbook on 07/11/2018.

ATTACHMENT

Ambulatory Surgical Center Tiered-Rate System Guide

Effective for dates of service (DOS) on and after January 1, 2018, ambulatory surgical center (ASC) claims will be paid based on updated tier assignments and tier rate increases. The following table outlines the ASC tier-rate adjustments, based on DOS.

The tier rates will be subject to an additional increase for the January 1, 2018, through June 30, 2018, DOS period to pay out the additional funding that was budgeted for the third and fourth quarters of calendar year 2017. For DOS on and after July 1, 2018, tier rates will be subject to a slight increase relative to the rate paid prior to January 1, 2018.

ASC Tiered-Rate System Guide			
Rate Tier	Rates for DOS Prior to January 1, 2018	Rates for DOS Between January 1, 2018–June 30, 2018	Rates for DOS on and After July 1, 2018
1	\$104.41	\$138.04	\$106.18
2	\$208.84	\$276.11	\$212.39
3	\$313.24	\$414.13	\$318.57
4	\$452.46	\$598.20	\$460.15
5	\$730.90	\$966.32	\$743.33
6	\$1,078.94	\$1,426.47	\$1,097.28

Note: As described above, procedure codes have been reassigned to the highest Medicaid tier available that did not exceed the Medicare rate. To determine the rate for any given code, review the Max Fee Schedule page of the ForwardHealth Portal at www.forwardhealth.wi.gov/.