2018 Workers’ Compensation Ambulatory Surgical Center Payment System

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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.
• 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 DLI’s website.
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:
  o 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:
  o 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 DLI’s website.
Payment for 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 indicator provides it is paid at “reasonable cost”;
- The payment indicator provides it is “contractor priced”; or
- A payment rate is not otherwise provided.
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:
  o For an ASC in Hennepin County: $1,279.91 x ((.5 x 1.1295) + .5) x 320% = $4,360.91.
  o For an ASC in Kandiyohi County: $1,279.91 x ((.5 x .9001) + .5) x 320% = $3,891.13

• Optional National Government Services Tool:
  o Use July 1, 2018 for a date of service from Oct. 1, 2018 through Sept. 30, 2019
  o 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

<table>
<thead>
<tr>
<th>MM</th>
<th>DD</th>
<th>YY</th>
<th>MM</th>
<th>DD</th>
<th>YY</th>
<th>SERVICE</th>
<th>BMG</th>
<th>CPT/NCPCS</th>
<th>MODIFIER</th>
<th>PORTER</th>
<th>CHARGES</th>
<th>UNITS</th>
<th>NPI</th>
<th>Qual.</th>
<th>PROVIDER ID. #</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>28525</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5836.00</td>
<td>1</td>
<td>NPI</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Date of Service:** 11/10/18

**Signature:** Dr. Fabulous

**Billing Address:**
Stearns County Surgery Center
66677 Surgery St.
St. Cloud, MN 56303
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 SEARCH CRITERIA**

*Select a Fee Schedule: ASC Fees  
*Result Type:  
*Date of Service: 07/01/2018  
*Procedure Code: 28525  
*Region: Minnesota  
*County: STEARNS

Search

(* indicates a required field)

**CODE SEARCH RESULTS**

National Government Services, Inc. - Minnesota  
ASC Fees Fee Schedule for 07/01/2018  
Procedure Code: 28525

<table>
<thead>
<tr>
<th>Modifier</th>
<th>Effective Date</th>
<th>CBSA</th>
<th>Proc Ind</th>
<th>Amount</th>
<th>FC Mod Amount</th>
<th>FB Mod Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01/01/2018</td>
<td>41060</td>
<td>S</td>
<td>1,271.14</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Penalty Price | FC Mod Pen Price | FB Mod Pen Price |
-------------|------------------|------------------|
1,246.01     | 0.00             | 0.00             |
Example Payment

• From NGS tool
  • $1271.14 \times 320\% = \$4067.65

• Manual calculation
  • Minnesota payment = Medicare payment rate \times ((0.5 \times \text{wage index}) + 0.5) \times 320\%.
  • For an ASC in Stearns County: $1,279.91 \times ((0.5 \times 0.9863) + 0.5) \times 320\% = \$4067.65

• Payment amount is $4067.65 because it is less than the U&C charge of $5836.00
## Multiple Procedures Example

<table>
<thead>
<tr>
<th>Date(s) of Service</th>
<th>Procedure</th>
<th>Place of Service</th>
<th>Diagnosis Code</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/10/18 to 11/10/24</td>
<td>29827</td>
<td>EMG</td>
<td>123</td>
<td>9000.00</td>
</tr>
<tr>
<td>11/10/18 to 11/10/2</td>
<td>23430</td>
<td>EMG</td>
<td>123</td>
<td>8800.00</td>
</tr>
</tbody>
</table>

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**Provider Information**

- Federal Tax ID Number: 4111111111
- Signature: Dr. Fabulous
- Date: 11/10/18

**Billing Information**

- Stearns County Surgery Center
- Address: 45677 Surgery St.
- City: St. Cloud, MN 55303

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**Charges:** $17800.00
Check **Addendum AA** if Procedure is Subject to Multiple Procedure Discounting

<table>
<thead>
<tr>
<th>HCPCS Code</th>
<th>Short Descriptor</th>
<th>Subject to Multiple Procedure Discounting</th>
<th>July 2018 Payment Indicator</th>
<th>July 2018 Payment Weight</th>
<th>July 2018 Payment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>29827</td>
<td>Arthroscop rotator cuff repr</td>
<td>Y</td>
<td>A2</td>
<td>59.7119</td>
<td>$2,721.37</td>
</tr>
<tr>
<td>23430</td>
<td>Repair biceps tendon</td>
<td>Y</td>
<td>A2</td>
<td>59.7119</td>
<td>$2,721.37</td>
</tr>
</tbody>
</table>
• 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 = $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.
Questions

Contact the Medical Policy Line at 651-284-5052

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