

Progress on Hospital Outpatient Rebasing

Section 1703(1)

This section of the appropriation act calls for “Medicaid payment fee schedule used to reimburse physicians and hospitals for outpatient services be rebased.”

July 2001 Update

Due to the on going negotiations that are taking place between the Michigan Hospital Association and representatives from the Department of Community Health and the Medical Services Administration, regarding the “Conditions of Participation and Per Diem/DRG Equivalent Policies”, work on this requirement has slowed.

As a result of the January work group meeting, two major concerns were identified which still remain as issues. The Michigan Hospital Association and some specific hospital representatives expressed concern as to what they believe to be the actual dollar amount available for this rebasing effort. The second issue of the need and time of the hospital outpatient rebasing remains an issue. Hospital representatives expressed and continue to express their concerns of this rebasing at the same time they are implementing the use of the UB 92 claim form and dealing with the New Medicare perspective reimbursement system.

Currently there is not another scheduled work group meeting due to the ongoing negotiations.