

# **Ambulatory Surgical Centers-Reimbursement Rates**

(FY2017 Appropriation Act - Public Act 268 of 2016)

**March 1, 2016**

***Sec. 1705. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies, and the state budget office a report to evaluate the various reimbursement rates provided to ambulatory surgical centers, to explain why any differences in reimbursement rates exist, and to recommend any changes to the reimbursement rates.***



Michigan Department of  
Health & Human Services

RICK SNYDER, GOVERNOR  
NICK LYON, DIRECTOR

## **Ambulatory Surgical Center Reimbursement**

### ***PA 268 of 2016***

In accordance with the Michigan Medicaid State Plan, reimbursement to individual Medicare-certified Ambulatory Surgical Centers (ASCs) is based on the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS) fee schedule documents. Payments for services provided in the ASC setting are calculated by applying the MDHHS OPPS reduction factor (RF) to current Medicare ASC reimbursement rates. That is, Medicare ASC rate x OPPS RF = Medicaid ASC rate.

CMS annually publishes updates to ASC payment rates and lists the surgical procedures and services that qualify for separate payment under the ASC payment system. Medicaid uses these annual Medicare updates, along with the annually updated OPPS RF, to determine the annual Medicaid ASC rates. The MDHHS OPPS RF history is located on the MDHHS webpage [http://www.michigan.gov/mdhhs/0,5885,7-339-71551\\_2945-396806--,00.html](http://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945-396806--,00.html).

The department does not apply a locality wage index adjustment to the ASC rates and rates are the same for both governmental and private ASC providers. Thus, reimbursement rates do not vary for the same service among different ASCs.

The Department recognizes that the state's ASCs provide high value services. It is recommended that any potential changes to Medicaid reimbursement rates considered by the Legislature be structured so as to encourage utilization in the most clinically appropriate and cost-effective setting.