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### **13.1 Description**

Ambulatory Surgical Centers (ASCs) may be free standing or under the control of a hospital. ASCs must be Medicare certified by the Centers for Medicare and Medicaid Services (CMS) formerly known as the Health Care Financing Administration (HCFA).

### **13.2 Amount, Duration and Scope**

a) The following applies:

- If the ASC is free standing, it is separate and independent from the provider of service.
- In the Medicaid Program, all outpatient surgical procedures performed in an acute care hospital, whether done in the distinct part of the facility called the ASC or in other operating rooms, are considered ASC services.
- The services covered in the ASC are surgical procedures that can safely be performed without an inpatient acute hospital admission. They are performed under anesthesia. Stays are generally less than twenty-four (24) hours.
- Professional services by the physician and anesthesiologists are distinct and separate from ASC services.

b) Covered ASC procedures are those procedures identified by CPT-4 codes and classified by Medicare into one of nine (9) ASC Groups.

### **13.3 Exclusions**

- a) Minor surgical procedures that do not require regional or general anesthesia operating room services and are not classified by Medicare as an ASC procedure. (Examples: suturing of simple lacerations, simple incision and drainage of abscesses, manipulative reduction of simple digital fractures/dislocations with or without digital blocks.)
- b) Elective surgery when authorization is not obtained.
- c) Female sterilization when Federal sterilization (Form 1146) requirements have not been met.
- d) Experimental and investigative surgical procedures and surgical procedures of unproven benefit.
- e) Surgical procedures for which an inpatient hospital admission is medically indicated.

- f) Surgical procedures not designated by Medicare as being ASC covered services.
- g) Surgical procedures not covered by the Medicaid Program (Examples: Cosmetic surgery such as face-lifts, cosmetic breast augmentation, rhinoplasties).

### **13.4 Limitations**

The following services are not included in the ASC rate and if applicable may be reimbursed separately:

- Ambulance services
- Anesthesiologist services (including the supervision of certified nurse anesthetists)
- Physician (surgeon, radiologist, pathologist) services
- Braces (arm, back, leg, neck)
- Durable Medical Equipment (rental or purchase) for use by the patient in his/her home
- Independent laboratory services
- Prostheses (redundant with artificial arms)
- Radiologic or diagnostic procedures not directly related to the surgical procedure

### **13.5 Authorization**

Please refer to Appendix 1 for a list of services which must be prior authorized.

### **13.6 Coding and Claims Submittal**

- a) Free standing ASCs
  - Claims for procedures designated by Medicare as being ASC covered services must be submitted on CMS (formerly HCFA) 1500 claim forms.
  - Procedures must be coded with the most appropriate CPT-4 procedure code. Allowable prosthetic devices such as intraocular lenses and cochlear implants must be coded with appropriate HCPCS codes.

b) Hospital based ASCs and outpatient hospital surgery

- Claims for ASC or outpatient hospital services are submitted on UB-92 claim forms.
- Revenue Codes 49X or 36X should be used. The CPT-4 code that best describes the procedure is required and must be entered in form locator (FL) block 44.

**13.7 Reimbursement**

a) Reimbursement for ASC Groupings

Although Medicare classifies appropriate CPT-4 ASC procedures into eight ASC groups, for payment purposes, Medicaid acknowledges only ASC Groups 1, 2, 3, and 4. Payments for Medicare ASC groups 5, 6, 7, 8 and 9 are made at ASC Group 4 rates.

b) Multiple codes:

If more than one (1) CPT-4 code is listed, the following guidelines are followed:

- If one (1) CPT-4 code is a Medicare covered ASC code and the other(s) is/are not, payment at the appropriate Medicare-covered ASC group of the code will be extended.
- If two (2) or more CPT codes are Medicare covered ASC codes, but the procedures are related, one payment is extended for the ASC Group listed first on the claim. Example: esophagoscopy for diagnosis with biopsy, esophagoscopy with removal of polyp(s) by hot biopsy forceps/cautery, esophagoscopy with removal of polyp(s) by snare technique.
- If two (2) or more CPT codes are Medicare covered ASC codes, and the procedures are not directly related, payment for the first surgical procedure listed on the claim is extended at 100% of Medicaid's payment rate for the ACS group and at 50% of Medicaid's payment rate(s) for the other procedure(s).

c) Reimbursement is an all inclusive case rate and includes all items and services provided by the ASC related to the surgical procedure(s) including but not limited to:

- Administration services
- Anesthetic, Anesthetic material
- Appliances
- Biologicals

- Blood/blood products (except when the blood deductible applies)
- Casts
- Cleaning
- Dressings (primary dressing directly applied to the skin as a result of the surgical procedure)
- Drugs
- Equipment
- Hematocrit
- Hemoglobin
- Housekeeping
- Nursing services
- Operating room
- Orderlies
- Other diagnostic and therapeutic items and services (ECGs, rhythm strips, pulse oximetry, etc.)
- Patient prep area
- Record keeping
- Recovery room
- Rent
- Scheduling
- Splints
- Supplies

- Technical personnel
  - Urinalysis
  - Utilities
  - Waiting room
  - Prescription and over the counter (OTC) drugs
- d) DMEPOS provided during surgical procedures performed in the ASC are not separately reimbursable unless the items are not part of the ASC group rate. Examples of items not included in the ASC group rate are intra-ocular and cochlear implants.