

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 1 0 - 2 0	2. STATE Oklahoma
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE April 1, 2010
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5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.50 and 42 CFR 440.60	7. FEDERAL BUDGET IMPACT a. FFY <u>2010</u> (154,536.00) b. FFY <u>2011</u> (309,073.00)
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 20 Attachment 4.19-B, Page 20a	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same Page, Revised 01-01-08, TN # 07-14 Same Page, Revised 02-01-10, TN #10-03
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10. SUBJECT OF AMENDMENT

Budget reduction for Anesthesiologists, Anesthesiologists Assistants and CRNA's

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL	16. RETURN TO Oklahoma Health Care Authority Attn: Cindy Roberts 4545 N. Lincoln Blvd., Suite 124 Oklahoma City, OK 73105
13. TYPED NAME Mike Fogarty	
14. TITLE Chief Executive Officer	
15. DATE SUBMITTED June 10, 2010	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED 10 June, 2010	18. DATE APPROVED 2 September, 2010
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL 1 April, 2010	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME Bill Brooks	22. TITLE Associate Regional Administrator Div of Medicaid & Children's Health
23. REMARKS c: Mike Fogarty Cindy Roberts Tywanda Cox Traylor Rains	

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
Other Types of Care

Anesthesiologists

The agency's rates were set as of January 1, 2008 and are effective for services on or after that date. All rates are published on the agency's website. Effective January 1, 2008, the anesthesia procedure codes listed in the 2008 CPT Code Book (CPT Codes 00100 through 01966 and 01968 through 01999) are eligible for reimbursement based on a formula involving base units and time units multiplied by a conversion factor of \$31.50. The CPT Codes are subject to published clinical edits and will be updated concurrently with the annual publication of the American Medical Association's CPT Code Book (CPT ® is a registered trademark of the American Medical Association).

Anesthesia CPT Code 01967 will be reimbursed at a maximum reimbursement amount of \$425 for one unit of service regardless of the base and time units involved in the procedure.

Effective January 1, 2008, governmental and non governmental providers will be subject to the same payment methodology as described in this section of the State Plan.

Effective January 1, 2008, the base unit values for the anesthesia codes (CPT Codes 00100 through 01966 and 01968 through 01999) will be taken from the 2008 American Association of Anesthesiologist (ASA) Relative Value Guide. Additional units are not eligible to be added to the ASA base value for additional difficulty. All rates are published on the agency's website located at www.okhca.org. A uniform rate is paid to governmental and non-governmental providers.

Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

Anesthesia time means the time during which the anesthesia provider (physician or CRNA) providing anesthesia is present (face to face) with the patient. It starts when the anesthesia provider begins to prepare the patient for induction of anesthesia in the operating room or equivalent area and ends when the anesthesia provider is no longer furnishing anesthesia services to the patient. The anesthesia time must be documented in the medical record with begin and end times noted.

Physicians and CRNAs should report a quantity of one (1) for each minute of anesthesia time. For example, if anesthesia time is thirty-seven (37) minutes, the quantity would be reported as 37. The program will convert the actual minutes reported to anesthesia time units. One anesthesia time unit is equivalent to 15 minutes of anesthesia time.

The following formula provides an example of how an anesthesiologist will be reimbursed:

If the ASA RVU (base) for an anesthesia procedure is 4.00 and the surgery lasts 90 minutes (time = 6 units) with a maximum allowable CF of \$31.50 the reimbursement is calculated as follows:

$$(4b+6u) \times \$31.50 = \$315.00$$

Time is reported in "units" where each unit is expressed in 15 minute increments and will be

Revised 04-01-10

TN# 10-20 Approval Date 9-2-10 Effective Date 4-1-10
Supersedes
TN # 07-14

SUPERSEDES: TN- 07-14

STATE	<u>Oklahoma</u>
DATE REC'D	<u>6-10-10</u>
DATE APP'VD	<u>9-2-10</u>
DATE EFF	<u>4-1-10</u>
HCFA 179	<u>10-20</u>

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE**

Anesthesiologists (continued)

Time (in Minutes)	Unit(s) Billed
1-15	1.0
16-30	2.0
31-45	3.0
46-60	4.0
61-75	5.0
76-90	6.0
91-105	7.0
106-120	8.0
Etc.	

STATE OKlahoma
 DATE REC'D 6-10-10
 DATE APP'VD 9-2-10
 DATE EFF 7-1-10
 HC FA 179 10-20

Effective January 1, 2008, Anesthesia Healthcare Common Procedure Coding System (HCPC) modifiers must be reported for each anesthesia service billed and will determine the rate of reimbursement to each provider for anesthesia services. The modifiers are as follows:

2008 Published HCPC Modifier	Description	Payment Rate
AA	Anesthesia services performed personally by Anesthesiologist.	100%
AD	Medical supervision by a physician: more than four concurrent anesthesia procedures	Current Flat Rate; no time units
QK	Medical direction of two, three, or four concurrent anesthesia procedures involving qualified individuals	50%
QX	CRNA or AA service: with medical direction by a physician	50%
QY	Anesthesiologist medically directs one CRNA or AA	50%
QZ	CRNA or AA services	80%

Certified Registered Nurse Anesthetists

Modifiers must be reported for each anesthesia service billed and will determine the rate of reimbursement to each provider for anesthesia services. Payment is made to Certified Registered Nurse Anesthetists at a rate of 80 percent of the allowable for physicians for anesthesia services without medical direction and at a rate of 50 percent of the allowable when medically directed.

Anesthesiologist Assistants

Modifiers must be reported for each anesthesia service billed and will determine the rate of reimbursement to each provider for anesthesia services. Payment is made to Anesthesiologist Assistants at a rate of 80 percent of the allowable for physicians for anesthesia services without medical direction and at a rate of 50 percent of the allowable when medically directed.

Effective January 1, 2008, governmental and non governmental providers will be subject to the same payment methodology as described in this section of the State Plan.

Effective February 1, 2010, payment will not be made to anesthesiologists, CRNAs or AAs for three national coverage determinations which relate to serious, preventable errors in medical care. These errors include surgery performed on wrong body part, surgery performed on wrong patient, and wrong surgery performed on patient.

Effective for services provided on or after 04-01-10, the rates in effect on 03-31-10 will be decreased by 3.25%.

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TN # 10-03

Approval Date 9-2-10

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