

**HUMAN SERVICES DEPARTMENT[441]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 78, “Amount, Duration and Scope of Medical and Remedial Services,” and Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

These amendments affect Medicaid coverage limits and fees for services provided by an ambulatory surgical center. Under current rules, Iowa Medicaid covers the same procedures that are covered by Medicare and reimburses these services based on a fee schedule that depends on the complexity of the procedure.

Medicare used the same reimbursement methodology until January 1, 2008. At that time, Medicare began phasing in a reimbursement methodology based on the hospital Outpatient Prospective Payment System (OPPS). Medicare’s change in methodology is being phased in using a blended payment methodology over three years, with full implementation by 2011. Unlike Medicare, Iowa’s Medicaid Management Information System (MMIS) cannot process claims using a combination of these methodologies, making a phased-in approach at the state level impossible.

Additionally, Medicare has begun to cover more than 800 procedures that previously were not covered for ambulatory surgical centers, many of which do not have a comparable payment category under Iowa’s existing methodology. If Iowa Medicaid were to cover these same procedures using the existing payment methodology, the result would be inflated payments for nearly 500 procedures. For example, Medicaid payment for removal of sutures in a physician’s office is \$59.55, while the payment at the lowest ambulatory surgical center category would be \$332.89.

The Department will monitor Medicare implementation of the OPPS methodology and determine if Iowa should adopt that methodology beginning in January 2011. In the interim, these amendments provide for the Department to determine the scope of covered ambulatory surgical center services independently from Medicare and set the fee for newly covered procedures. All services covered under the previous Medicare policy will continue to be covered. The list of covered services will be made available through a fee schedule published on the Iowa Medicaid Enterprise Web site.

These amendments do not provide for waivers in specified situations. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

Notice of Intended Action on these amendments was published in the Iowa Administrative Bulletin on June 3, 2009, as **ARC 7827B**. The Department received one comment in support of paying the same total fee for ambulatory procedures as if the procedures were performed in a physician’s office. These amendments are identical to those published under Notice of Intended Action.

The Council on Human Services adopted these amendments on September 16, 2009.

These amendments are intended to implement Iowa Code section 249A.4.

These amendments shall become effective on November 11, 2009.

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [78.26, 79.1] is being omitted. These amendments are identical to those published under Notice as **ARC 7827B**, IAB 6/3/09.

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