

## Comments and Responses on ARC 7827B

Changes Medicaid Coverage and Reimbursement for Ambulatory Surgical Center Services

Received June 24, 2009

The following person and organization provided written comments, included in the summary below:

Frederick Aldrich, M.D, president, Center for Healthcare Quality Improvement, Des Moines

COMMENT: The description of the policies of payment for services received in an Ambulatory Surgery Center (ASC) reveals another disappointing squandering of precious state monies. If a service can be provided in a physician's office for \$59.55 as stated in the text of the proposed rule, then the payment to the ASC should never be more than that amount so no fee schedule is needed.

Remember, the payment to the ASC is only part of the money paid by the state for the service because the physician providing the service at the ASC will be paid in addition. Presumably, the total would be approximately \$332.89 (to the ASC) plus \$59.55 (to the physician) for a total payment of \$392.44. Instead of this outrageous dispersion of money through these egregious payments to the ASC, the total paid to the ASC and the physician should be a total of \$59.55 which is the amount that the Department has identified as the payment that would be made to the physician in the office for the identical procedure. The ASC and the physician can then divide the money however they choose. In other words, if a procedure or visit can be accomplished in the physician's office, then the total payment to the physician and the ASC facility should never exceed the amount paid to the physician in the office.

In fact, this principle is true for all facilities. The total, global payment to the physician and facility combined should exactly equal the amount paid to the physician in the office.

Encourage the most cost effective use of precious state healthcare monies by promoting efficient facilities such as the physician's office instead of encouraging inefficient facilities by providing bloated, egregious payments for the same service in other facilities such as an ASC, emergency department, or other outpatient hospital clinic.

Obviously, there are many other examples of similar overpayments made for identical services. This squandering of precious resources must cease if the state is to weather the current economic crisis and provide care for the neediest people in the state.

Stop wasting precious state monies. Revamp the entire Medicaid payment system and guarantee transparency of all payments so that citizens can see where the state money really goes! Remember, the total, global payment to the physician and facility combined should exactly equal the amount paid to the physician in the office. (Aldrich)

RESPONSE: The intent of the proposed rules is to limit the medical procedures that could be performed in an ambulatory surgical center (ASC) through Iowa Medicaid in comparison to the Medicare program. Of the 800 additional ASC codes that were added to the Medicare ASC program on January 1, 2008, Iowa Medicaid determined that 500 of those codes could be safely provided in a physician's office or that the procedures were complex and required hospitalization.

The Department is in agreement with your position that a significant number of medical procedures can be provided safely and cost effectively in a physician's office. Those identical medical procedures provided in an ASC do not improve patient outcomes and do limit the available funding for other medically necessary procedures and programs.