



MASAGRAM

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MARCH 2008

PLANNING CALENDAR

2008 GENERAL MEMBERSHIP MEETINGS:

June 26th

SEPTEMBER ED Day
September 18 & 19
Mackinac Island, MI

December 11th

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President's Message

I wanted to take a moment to draw your attention to several topics that MASA is actively pursuing. We need our membership to be united supporting MASA as your advocate in these negotiations and discussions.

Membership meeting

We had an incredible turn out at our March 13, 2008, meeting in Lansing. We are really building a ground swell of interested ASC's in Michigan. I would like to extend the opportunity to any interested "member" to help form topical subgroups within MASA. The association has so much going on in numerous areas that our Quarterly/Semiannual meetings are stuffed with updates and networking. Having subgroups that can flesh out issues and succinctly present findings at meetings is going to be the only way we make meaningful progress on the myriad of issues we face as an industry.

Medicaid

MASA was successful in getting language inserted in the Department of Community Health appropriation bill (Sec. 248 of PA 123 of 2007). That new language overturns the long standing policy that ASC's not be reimbursed by Medicaid. The language was authored and



**Jim Stilley, President
MASA**

**CEO Northwest Michigan
Surgery Center**

championed by Senator Roger Kahn.

MDCH has responded with the creation of an ASC workgroup to assist in the development and implementation of the new reimbursement system. MASA attended the MDCH meeting on March 13 and expressed concerns with the process. Our concern was that, with the process just beginning now, MDCH would not be able to meet the July, 2008, deadline for submission of a reimbursement schedule.

MDCH believes from its interpretation of the Public Act, that it merely needs to provide a report how the participation of ASC's will be accomplished by the July time frame.

MASA has submitted a list of recommended participants for

the work group. It is our intention to help the department meet the July deadline for submission of a reimbursement schedule.

Nonetheless, the language in the bill ties the commencement of Medicaid payments (to ASC's) to the launch of the Department's new computer system. The latest estimate is that the new system will be up and running in January, 2009. Stay tuned.

BCBSM

MASA is working with BCBSM policy makers to revise and increase reimbursement levels from BCBSM. MASA is opposed to BCBSM's attempts to collect data on what other payers are reimbursing, as it would be against our contract with those payers (even blinded). MASA is compiling cost information to present to the working group to demonstrate how some of BCBSM reimbursement levels are not covering the cost of cases with multiple procedures and implants. If you are contacted by BCBSM to provide cost or other payer information please contact MASA, as we may be able to provide additional information on this matter.

MASA 2008 ED DAY!



Save the dates: September 18th & 19th Grand Hotel, Mackinac Island

Be sure to mark your calendars for MASA 2008 ED Day
Registration packets are being created, speakers invites
are out, classes are being scheduled!

Don't miss our annual event—we will offer several
different credits and CEU's.

We will once again offer various sponsorship
opportunities and vendor opportunities.

Mark you calendar and join us on the island!

Save the dates!

Chapter 2—*Kris Kilgore, 2nd Vice President*

Here are the highlights from AAAHC's second standard.
Governance is an important chapter that is broken down into 2 subchapters.

Chapter 2: Governance

Subchapter I: General Requirements

Each organization must have an established governing body that plays an active role in the management and organization of the Facility. This can be accomplished through a governing body, made up of medical staff members and owners. They need to design and approve their governing body and medical staff bylaws. An organizational chart needs to be developed and shared with all the employees of the organization so they understand the reporting relationship of the company. Long-range and short-term goals need to be documented and approved by the governing body. These should be reviewed and updated annually. These goals should be shared with the employees, so they can help accomplish these goals for the organization, especially in the area of patient care. Another important area that needs to be developed and reviewed annually by the governing body is the P&P manuals and contracts. Meeting minutes should be well-documented to include who attended the meeting and all discussions and resolutions. The State of Michigan now requires each facility to have a well-developed policy for identifying, reporting, analyzing, and preventing further adverse incidents.

Subchapter II: Credentialing/Privileging

This process needs to be defined in the bylaws and approved by the governing body. Meeting minutes should include names of those professional providers (for example: physicians, dentists, anesthesia, CRNAs, PAs, and NPs), that have been approved for credentialing, the length of time for the credentialing period, and what type of privileges for which they have been approved. This can be done via a letter signed by the medical director on behalf of the governing body. Each credential file must contain all of the items listed in the standard. Conducting primary and secondary source verification is necessary (there is a list of approved organizations in the appendix of the *Standards Book*). A requested list of privileges needs to be approved and signed by the governing body for each credentialed provider. Anesthesia privileges must be included for surgeons when doing their own anesthesia and blocks. Peer review should be conducted on each provider prior to granting them privileges.

Reimbursement in ASC's—A Time of Change by: Carrie Bradish

As we know, a monumental change in the Medicare ASC reimbursement arena began on January 1, 2008. This switch, based on the outpatient prospective payment system (OPPS), has been a long time in coming. Industry experts had warned us of possible payment delays and errors while Medicare implemented the changes. Now that it is here, Medicare has surprised us by implementing the changes rather seamlessly. At least that seems to be the case with Michigan's Medicare carrier Wisconsin Physician Service (WPS).

Although not as quickly as we would have liked, both CMS and WPS are making information available that assists us both in interpreting and implementing the changes. The CMS document entitled "Calendar Year (CY) 2008 Ambulatory Surgical Center (ASC) Payment System Questions and Answers," for example, provides a quick snapshot of the changes. This publication also confirms that ASC noncovered procedures are no longer offset by additional site of service differential payment to the physician. Question 19 states that Medicare will not pay the facility for noncovered ASC procedures and that the beneficiary is financially responsible for these services.

In addition, Medicare's higher physician reimbursement for ASC non-list procedures no longer applies per Question 21, which reads as follows:

Under the revised ASC payment system, if physicians perform surgical procedures that are not included on the ASC list of covered surgical procedures, CMS will pay physicians under the MPFS [Medicare Physician Fee Schedule] for those ASC noncovered procedures based on the lower facility PE RVU [Practice Expense Relative Value Unit] amount. Prior to CY 2008, if physicians furnished noncovered surgical procedures in an ASC, they were paid for their services under the MPFS based on the higher nonfacility PE RVUs.

(<http://www.cms.hhs.gov/ASCPayment/downloads/ASCQAs123107.pdf>)

While FASA had provided us with a tool to calculate local payment rates by wage adjustment, 2008 ASC payment rates with applicable wage adjustment calculations already made are now posted on the WPS website at: http://www.wpsmedicare.com/part_b/fees/asc_schedules.shtml.

Implant reimbursement is one change that could have a positive or negative impact on your bottom line, depending on if the new payment for the procedure offsets the cost of the implant.

A January 30, 2008 Medlearn Matters article added additional C-codes for drugs payable in an ASC. These items were left out of previous publications due to being approved too late in the process to be included in the final rule. Medicare contractors have been instructed to make payment rates for these codes available to ASCs. The applicable HCPCS C-codes are:

C9237	inj. lanreotide acetate	- eff. date 01/01/08
C9240	inj. ixabepoline	- eff. date 01/01/08
C9354	Veritas collagen matrix, cm2	- eff. date 01/01/08
C9355	Neuromatrix nerve cuff, cm	- eff. date 01/01/08

This Medlearn Matters article, MLN Matters number MM5885, can be found at: <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5885.pdf>

As of this writing, MASA's ASCs that have billed Medicare for other drugs are waiting to see if WPS processes

Reimbursement in ASC's—A Time of Change continued

these claims correctly for payment.

Will Other Payers Follow Medicare's Lead?

Now that we are getting a handle on all of the Medicare changes, it may be wise to take a look at what other payers using Medicare's payment methodology are going to do. Michigan Bureau of Workers Compensation (WC), for example, implements payment changes a year behind Medicare. Hopefully, the Bureau will be offering information soon that will help us to prepare for these upcoming 2009 changes.

Some commercial payers, such as PPOM/Cofinity and HAP, are still basing their fee schedules on the previous Medicare ASC groups. It may take a banding together of MASA members to convince these payers to do away with this antiquated methodology.

In other reimbursement issues, Medicare's National Provider Identifier (NPI) deadline is March 1, 2008. The December 2007 WPS newsletter "Communique" details NPI requirements on pages 6-9. It can be found online at:

http://www.wpsmedicare.com/part_b/publications/1207comm.pdf

These are just a few highlights of happenings in the ever-changing reimbursement arena. We all know that it pays to stay abreast of these changes, which further validates the value of the MASA Billers subgroup. Together, we will continue to do all we can to maximize the bottom line of ASCs in Michigan.

Membership 2008

*Charles R. Carson, RN
1st Vice President, MASA*

Our next General Membership meeting will be held on June 26, 2008, in Lansing. We are very excited by the efforts of our Board to implement professional growth and development of MASA this past year, including a very successful educational event held in Traverse City, in September of 2007. We are also pleased by the increased political influence and visibility of our organization due to the outstanding efforts of our MASA lobbyist, Bill Kandler, and MASA Executive Director, Marcy Lay.

At our March General Membership meeting, the board promoted continued growth and education and political influence on behalf of MASA and the ASC industry, by extending an open invitation to many potential new facility and vendor members. Wow! The house was packed. At the last minute, a new location was sought that would hold all of the 82 people who RSVP'd. It was an exciting day for MASA and everyone in our industry.

Many thanks to Carrie Bradish who is leading our Billers/Coders breakout sessions and Randy Coon who is leading our Materials Management sessions. Thanks goes out to Tina Piotrowski who was kind enough to lead the Clinical section and our President, Jim Stilley, who led a lively Administrative session. I urge each and every one of our facilities to mark their staffing calendars for our next meeting on June 26, 2008, and urge your staff to participate in our breakout sessions!

On behalf of the board, thank you for your attendance at our meeting.

If you have not completed your 2008 Membership, I urge you to do that today. MASA opened its first meeting to all ASC's across the state and will be mailing this newsletter to everyone as well. Typically, these are member only benefits, however, the MASA board wanted to welcome all ASC's. Keep up to date on ASC issues, network with other professionals in the ASC industry, and use our combined buying power, which will be available soon. Support your voice in Lansing, become a member today!

Please take a moment to complete your MASA 2008 Membership application today by going to our new website at: www.michiganasc.com, click the membership tab and download your membership form! We have a strong momentum and need your valued support to continue our efforts.

General Membership Meeting

June 26, 2008

Lansing, MI (location TBD)

11:00 a.m.—2:00 p.m.

General Session & Lunch 11:00 a.m.—12:00 noon
Administrative-Clinical-Materials Management-Billing & Coding
Breakouts will take place at 12:00 noon—2:00 p.m.



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MATERIALS MANAGEMENT

Randy Coon & Jeff VanBuren

It was great to get together in this breakout session at the MASA General Session Meeting and discuss some of the issues that concern the purchasing staff and department in your ASC. Randy Coon and Jeff Van Buren from *Amerinet*, a national group purchasing organization, and member of MASA, facilitated this breakout session.

Both the *Surgery Center at Health Park (Grand Blanc)* and *Great Lakes Surgery Center (Southfield)* were well represented in the breakout, along with some of the vendor members of MASA. The clinical members offered some feedback to the vendors on how best to approach a relationship with the individual ASCs, as well as some potential opportunities that could be pursued by this group at future meetings.

Some of the potential areas of interest/opportunities include:

- Discuss best practices in the areas of cost containment, procurement, operational efficiencies, etc.
- Educational opportunities in the areas of negotiation, procurement, time management, etc.
- Price benchmarking for items such as implants, physician-preference items, capital equipment, etc.

One overriding topic discussed during this breakout was the need for purchasing staffs from all MASA-member facilities to be able to better network with each other on a more practical basis.

The benefit of fostering stronger relationships with our peers would provide us with a more streamlined set of references along with the ability to share information, best practices, and even pricing resources.

By educating each other, everyone wins. Too often we are left to our own survival skills to hunt for resources, making us less efficient, effective, and productive in our roles.

It was determined that we would like to start this process by compiling a comprehensive reference list of purchasing staff for each MASA-member ASC.

Who is responsible for purchasing equipment and supplies for your ASC? Make sure they don't miss the next **MASA General Session Meeting** on **June 26th**, as well as the **2nd Annual MASA Education Session** in **September**.

NEW website!

www.michiganasc.com



2008 Facility and Vendor Membership Application

Facility Name: _____

Address: _____

City: _____ State: _____ Zipcode: _____

Telephone: _____ Fax: _____ Web Address: _____

Facility Ownership % - Physician _____ % Corporate _____ % Hospital _____ % VENDOR _____

Facility License # _____ Facility Surgical Specialties: _____

Administrator/CEO/Executive Director: _____

Medical Director: _____

As a facility member, any employee of your ASC can attend MASA meetings and receive newsletters and email updates. Please complete the contact information (including title) below for each person:

Name of MASA Voting Member (<i>usually Administrator/CEO/ED</i>)	Email
	Email
	Email
	Email
	Email
	Email
	Email
	Email
	Email
	Email
	Email

2008 MASA Membership Fees:

2008 Facility member \$750.00	2008 Vendor member \$750.00
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Dues will run January through December 31, 2008

COMPLETE AND MAIL TO:

MASA
 Attn: Marcy Lay
 124 W. Allegan, Suite 1700
 Lansing, MI 48933