STATE OF OKLAHOMA

OKLAHOMA HEALTH CARE AUTHORITY

OHCA 2007-57

December 18, 2007

Dear Provider:

Effective for services provided January 1, 2008 or after, OHCA is changing the reimbursement methodology used to process anesthesia claims. This will require billing changes on your part. The intent of the change is to make the reimbursement methodology for anesthesiology services consistent with industry standards.

The new methodology will be applied to anesthesiology CPT Codes 00100 through 01966 and CPT Codes 01968 through 01999. Industry standard for reimbursement uses a base unit plus time for each CPT Code. The base units are established by the American Society of Anesthesiology's annually published Relative Value Guide and time is reported in minutes then converted into units by the OHCA. Units will be based on 15 minute increments. The base and time units will be added together and multiplied by a conversion factor. The conversion factor will be established by the OHCA and will be set at $31.50 for all CPT Codes 00100 through 01966 and 01968 through 01999. Additional units are not eligible to be added to the ASA base value for the level of difficulty.

Anesthesia time means the time during which the anesthesia provider (physician or Certified Registered Nurse Anesthesiologist (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 in personal attendance, that is, when the patient may be safely placed under postoperative supervision. 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. OHCA will convert the actual minutes reported to units. One unit is equivalent to 15 minutes of anesthesia time.

A new maximum reimbursement fee for CPT Code 01967 will be set at $425 and will not be included in the base plus time methodology. Certified Registered Nurse Anesthesiologists (CRNAs) will be reimbursed at 80% of the amount provided to anesthesiologists, with the exception of those being supervised by a physician, as stated below.

Anesthesia Healthcare Common Procedure Coding System (HCPCS) modifiers must be reported for each anesthesia service billed and will determine the reimbursement amount paid to each provider for anesthesia services. The modifiers are as follows:

2008 Published HCPCS 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 service: with medical direction by a physician	50%
QY	Anesthesiologist medically directs one CRNA	50%
QZ	CRNA services	80%

When a state employed anesthesiologist (a.k.a. a teaching physician) submits a claim while they are supervising residents who are in a graduate medical education training program in the university setting and that program is approved by the ACGME or the ABMS, they need to use the "AA" modifier as the primary modifier and the "GC" modifier as a secondary modifier.

Claims for anesthesia services must include this information to be paid under the new methodology beginning January 1, 2008. Claims that are not filed according to the new methodology will result in a denial.

Thank you for the service you provide to our SoonerCare and InsureOklahoma/O-EPIC members.

Sincerely,

Mike Fogarty