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In-State Outpatient Hospital Lab Pricing Methodology Change

Except for laboratory services, reimbursement for outpatient hospital services is based on a percentage of the allowed amount at a rate established by the Department of Health and Social Services, Office of Rate Review. Outpatient hospital laboratory services are either reimbursed using a Medicare fee schedule for Alaska or, if the facility has a “Small Facility Rate Agreement” with the Department, at a percentage of the allowed amount.

Changes are being made to outpatient hospital laboratory services reimbursed using a Medicare fee schedule. There are two national Medicare Fee Schedules for Alaska, one is based on 60% of prevailing charges and the other is based on 62% of prevailing charges. The Centers for Medicare & Medicaid Services approved Sole Community Hospitals to be reimbursed using the 62% fee schedule while others are to be paid using the 60% schedule.

The Department is initiating quality control measures to ensure outpatient hospital laboratory services are paid appropriately in accordance with this provision. Affiliated Computer Services, Inc. will implement those measures on claims with a From Date of Service of 2/1/09 and greater. Facilities that are not Sole Community Hospitals will be paid based on the 60% fee schedule for outpatient hospital laboratory services.

This pricing methodology change does not affect IHS/Tribal Outpatient Hospital services. They are reimbursed on an encounter rate, which is published in the Federal Register by the Indian Health Service.