



EDUCATION and WORKFORCE DEVELOPMENT CABINET
Department of Workforce Investment

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SERVICE FEE MEMORANDUM

TO: Office of Vocational Rehabilitation Staff
Client Assistance Program Administrator

FROM: Cora McNabb
Executive Director
Office of Vocational Rehabilitation

THROUGH: Charles W. Puckett
Central Office Administrator
Systems and Fiscal Management Branch

DATE: January 28, 2013

RE: Hospitalization, Surgery and Anesthesiologist Reimbursement

Effective immediately, Office of Vocational Rehabilitation will reimburse for the above-referenced services as described below:

Inpatient and Outpatient Hospitalization reimbursement will be made as follows:

- 60% of reasonable and customary billed charges for surgery, anesthesia and room charges;
- 40% of reasonable and customary billed charges or pass-through rate, whichever is less, for surgical implants;
- 40% of reasonable and customary billed charges for supplies;

Pharmaceutical and injections will be paid as per the Healthcare Common Procedure Coding System (HCPCS) code. If the HCPCS code is not provided it will be reimbursed at 10% of reasonable and customary billed charges.

Pre-authorization will be made in the amount of \$500.00 with the notation indicating that, when billing is received, the authorization will be adjusted to reflect the 60% of reasonable and customary billed charges. Before the adjustments are made, each bill shall be reviewed by the designated person in the Systems and Fiscal Management Branch.

The Outpatient Surgery Center fee will be \$700.00. However, when an ophthalmologic procedure using a laser is conducted in such a center the fee will be \$218.40.

The surgeon will be reimbursed at 100% of the amount indicated by the Current Procedural Technology (CPT) code found in the Case Management System (CMS) physician fee schedule for the first, or major, procedure. Reimbursement for secondary procedure(s) will be made at 50% of the amount indicated by the Current Procedural Technology code found in the Case Management System physician fee schedule unless the charge is modifier 51 exempt.

When under certain circumstances the skills of two surgeons, generally with different skills, are required in the management of a specific surgery, the total reimbursement will be increased by 25% of the listed procedure.

When an Assistant Surgeon participates, the total reimbursement will be increased by 20% of the listed procedure.

When a Certified Physician's Assistant participates, the total reimbursement is increased by 15% of the listed procedure.

When a trained Operating Room Nurse participates, the total reimbursement is increased by 10% of the listed value of the procedure.

Please consult with the designated person in the Systems and Fiscal Management Branch before applying the above rules.

The anesthesiologist will be reimbursed at the rate of 30% of the total amount reimbursed to the surgeon(s), with a minimum of \$100.00. Preauthorization will be made in the amount of \$100.00 with the notation indicating that, when billing is received, the authorization will be adjusted upward if this is indicated based on the amount reimbursed to the surgeon(s).

As per Medicare, all major surgical procedures have a 90-day post-operative, follow-up period during which the typical follow-up care is provided without further reimbursement.