



MEDICAL ASSISTANCE BULLETIN

COMMONWEALTH OF PENNSYLVANIA • DEPARTMENT OF PUBLIC WELFARE

ISSUE DATE
May 10, 2007

EFFECTIVE DATE
May 21, 2007

NUMBER
31-07-05
32-07-01

SUBJECT
Medical Assistance Program Fee Schedule Revision; Change to Conversion Factor for Anesthesia Services

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By Michael Nardone, Acting Deputy Secretary
Office of Medical Assistance Programs

PURPOSE:

The purpose of this bulletin is to announce that the Department of Public Welfare (Department) will adjust the conversion factor applied in the payment methodology for anesthesia services on the Medical Assistance (MA) Program fee schedule. The change is effective for anesthesia services provided on or after May 21, 2007.

SCOPE:

This bulletin applies to all providers of anesthesia services enrolled in the MA Program and providing services in the Fee-For-Service (FFS) delivery system. Providers rendering anesthesia services under the MA managed care delivery system should address any rate related questions to the appropriate MA managed care organization.

BACKGROUND/DISCUSSION:

On July 1, 2004, the Department established an anesthesia payment methodology similar to that of the federal Medicare Program. This payment methodology utilizes 100% of the 2004 Medicare Pennsylvania-specific conversion factor, as set by the Centers for Medicare and Medicaid Services (CMS), to establish fees for anesthesia services. In 2004, the Medicare Pennsylvania-specific conversion factor was \$17.04 (see MA Bulletin 31-04-06, 32-04-01, issued June 22, 2004).

The Medicare Pennsylvania-specific conversion factor for 2007 has been adjusted by CMS to \$15.66. The Department is adjusting the conversion factor used in the MA Program payment methodology for anesthesia services to \$15.66.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

The Appropriate Toll Free Number for your Provider Type

Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap

PROCEDURE:

Effective May 21, 2007, the Department will utilize 100% of the Medicare Pennsylvania-specific 2007 conversion factor, which is \$15.66, as well as the base units assigned by Medicare, in the pricing formula for covered anesthesia services. The pricing formula is as follows: (base unit assigned to each procedure code x conversion factor) + (conversion factor x time units).

Please note that for select obstetrical anesthesia services (procedure codes 01960, 01961, 01963, and 01967), the Department will use the same pricing formula but will continue to adjust the base units by adding four units to the Medicare base units, to account for the particular manner in which these services are provided.