GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Office of the Senior Deputy Director/Medicaid Director

Transmittal # 15-19

TO: All Medicaid Providers

FROM: Claudia Schlosberg, J.D.
Senior Deputy Director and State Medicaid Director

DATE: July 2, 2015

SUBJECT: Anesthesia Pricing Update

Transmittal 14-25 notified Medicaid providers of the pending schedule changes to the DC Medicaid Fee Schedule. The current DC Medicaid Fee Schedule will be updated effective August 1, 2015. The purpose of this update is to provide clarification with respect to reimbursement for anesthesia services billed by professional providers. Professional providers are those who submit claims to DC Medicaid on a CMS-1500 claim form.

Under the District of Columbia's Medicaid State Plan, physician services (such as anesthesia) are reimbursed at 80% of the Medicare rate as established by the Centers for Medicare and Medicaid Services (CMS). During the past year, the Department of Health Care Finance (DHCF) undertook a comprehensive review of the reimbursement rates paid for anesthesia procedures on the DC Medicaid Fee Schedule. As a result of this review, DHCF is updating the anesthesia payment parameters with the following changes:

1. The conversion factor will change to $19.73
2. Anesthesia base unit values will also be updated with the Medicare values
3. The discounting percentage for anesthesia modifiers QK and QZ will be updated to 50% and 100%, respectively

These changes mean that the reimbursement rate will increase for some anesthesia procedures and will decrease for others. Detailed changes to the rates can be found online at https://www.dc-medicaid.com/dcwebportal/providerSpecificInformation/providerInformation.

If you have any questions or suggestions related to this schedule update, please contact Amy Xing, Reimbursement Analyst, at (202) 481-3375 or amy.xing2@dc.gov.

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DC Hospital Association
DC Medical Society