

# Balance Billing Reimbursement Rulemaking Advisory Committee



# Agenda

- Proposed reimbursement rate calculation methodology
- APAC data collection and validation Q&A
- Alternative calculation methods
- Next steps

# Rulemaking parameters

copayments or other out-of-pocket expenses attributable to choosing an out-of-network provider.

**(6) The department shall adopt rules for calculating the reimbursement that must be paid to providers under subsection (3) of this section. The reimbursement must be equal to the median allowed amount paid to in-network health care providers by commercial insurers in this state, based on data collected under ORS 442.466 for the 2015 calendar year, adjusted annually using the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor. The Department of Consumer and Business Services may adjust the amount of reimbursement based on the differences in allowed amounts paid to health care providers in certain geographic areas of this state.**

**SECTION 5. No later than July 1, 2020, the Department of Consumer and Business Ser-**

# Proposed Reimbursement Variables

- CPT code
  - Professional fee-related revenue code
    - Modifier
      - Geographic adjustment

# 25 Professional fee-related revenue codes

- N/A
- 0960 General
- 0961 Psychiatric
- 0962 Ophthalmology
- 0963 Anesthesiologist (MD)
- 0964 Anesthetist (CRNA)
- 0969 Other
- 0971 Laboratory
- 0972 Radiology-Diagnostic
- 0973 Radiology-Therapeutic
- 0974 Radiology-nuclear medicine
- 0975 Operating room
- 0976 Respiratory Therapy
- 0977 Physical therapy
- 0978 Occupational therapy
- 0979 Speech pathology
- 0981 Emergency room
- 0982 Outpatient services
- 0983 Clinic
- 0984 medical social services
- 0985 EKG
- 0986 EEK
- 0987 Hospital visit
- 0988 Consultation
- 0989 Private duty nurse

# Geographic Adjustment

Geographic Rating Area

Vs.

Geographic Price Cost Index (GPCI)

*\* Let's discuss later with other alternatives*

# Geographic Rating Areas

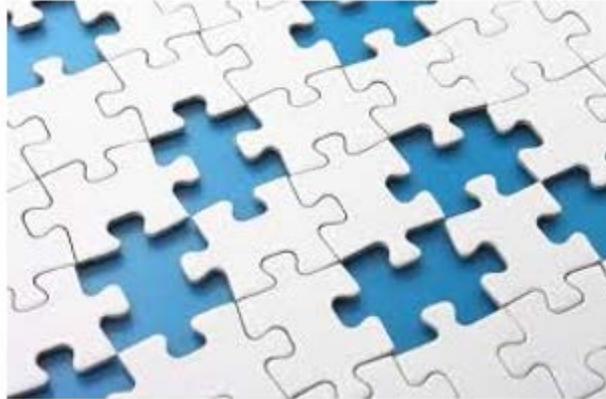
Geographic Rating Area	1	2	3	4	5	6	7
County	Multnomah Washington Yamhill	Benton Lane Linn	Marion Polk	Deschutes Klamath Lake	Clatsop Columbia Coos Curry Lincoln Tillamook	Baker Crook Gilliam Grant Harney Hood River Jefferson Malheur Morrow Sherman Umatilla Union Wallowa Wasco Wheeler	Douglas Jackson Josephine

# Reimbursement Variables

CPT Code	Revenue Code	Modifier	Grp
		Modifier	Grp
		Modifier	Grp
	Revenue Code	Modifier	Grp
		Modifier	Grp
		Modifier	Grp
	Revenue Code	Modifier	Grp
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	Revenue Code	Modifier	Grp
		Modifier	Grp
		Modifier	Grp
Revenue Code	Modifier	Grp	
	Modifier	Grp	
	Modifier	Grp	

**= 156,763  
possible rates**

# Data gaps



Of the **156,763** possible rates (CPT x Rev x Mod x Geo)  
**13,746** had no claims reported for 2015  
**(8.77%)**

# Finding an adequate sample

➤ CPT code

➤ Revenue code

➤ All Modifiers

➤ Statewide

# Backstop rule

If there is not an adequate sample of reported claims for a particular CPT code and revenue code combination, the insurer shall reimburse the provider at a rate negotiated by both parties.

# Calculating Median

## Data Cleaning

- Removing \$0 allowed amounts
- Minimum sample size: 50

*Alternatives: 25, 10, 1*

# Hypothetical Example

CPT Code	Revenue Code	Modifier	Geo	Reported Claims
CPT Code	Revenue Code	Modifier	Geo 1	<del>\$X</del> , <del>\$X</del> , \$100
			Geo 2	None
			Geo 3	<del>\$X</del> , \$89, \$99, \$114, \$120
			Geo 4	\$85, \$126, \$143, \$147, \$150
			Geo 5	\$91, \$91, \$93, \$98, \$100, \$110, \$110, \$110, \$116, \$116, \$116, \$144, \$144, \$144, \$144, \$144, \$144
			Geo 6	\$91, \$92, \$92, \$92, \$92, \$92, \$93, \$116, \$144, \$144, \$132
			Geo 7	<del>\$X</del> , <del>\$X</del> , \$144, \$144, \$132, \$132, \$132, \$132, \$132, \$132, \$132, \$132, \$132, \$132

# Example

CPT Code	Rev Code
<b>00810</b> - Anesth, low intestine scope	<b>Null</b>
	<b>0963</b> - Professional fees- anesthesiologist (MD)
	<b>0964</b> - Professional fees-anesthetist (CRNA)

# Example

CPT Code	Rev Code	Modifiers
<b>00810</b> - Anesth, low intestine scope	<b>Null</b>	33, 53, 98, 99, A3, <b>AA</b> , GA, P1, P2, P3, P4, QK, QS, QX, QY, QZ, TD, TE, V8, Null
	<b>0963</b> - Professional fees- anesthesiologist (MD)	AA Null
	<b>0964</b> - Professional fees- anesthetist (CRNA)	25, 33, P1, P2, P3, QZ, Null

# Example

CPT Code	Rev Code	Mod	Geo	# of claims reported
<b>00810</b> - Anesth, low intestine scope	Null	AA	Geo 1	564
			Geo 2	112
			Geo 3	79
			Geo 4	68
			Geo 5	33
			Geo 6	39
			Geo 7	14

# Example

CPT Code	Rev Code	Mod	Geo	Reported Claims
<b>00810</b> - Anesth, low intestine scope	<b>Null</b>	AA	Geo 4	\$320.00 \$408.43 \$425.15 \$480.00 \$488.39 \$521.50 \$525.00 \$546.00 \$555.00 \$560.00 \$560.00 \$560.00 \$560.00 \$567.81 \$571.20 \$592.65 \$596.00 \$596.00 \$596.00 \$600.00 \$605.25 \$610.00 \$610.00 \$610.00 \$610.00 \$610.00 \$610.00 \$610.00 \$610.00 \$610.00 \$610.00 \$612.00 \$624.00 \$627.93 \$630.00 \$640.00 \$642.60 \$670.50 \$670.50 \$670.50 \$670.50 \$670.50 \$670.50 \$675.00 \$686.25 \$686.25 \$686.25 \$686.25 \$686.25 \$686.25 \$686.25 \$686.25 \$700.00 \$700.00 \$700.00 \$702.00 \$710.25 \$714.00 \$720.00 \$729.75 \$745.00 \$750.00 \$762.50 \$762.50 \$762.50 \$770.00 \$838.75 \$1,005.00  <b>Median: \$629</b>

# Example

CPT Code	Rev Code	Modifiers
<b>00810</b> - Anesth, low intestine scope	<b>Null</b>	33, 53, 98, 99, A3, AA, GA, P1, P2, P3, P4, QK, QS, QX, QY, QZ, TD, TE, V8, Null
	<b>0963</b> - Professional fees- anesthesiologist (MD)	AA Null
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# Example

CPT Code	Rev Code	Mod	Geo	# of claims reported
<b>00810</b> - Anesth, low intestine scope	<b>0964</b> - Professional fees- anesthetist (CRNA)	33	Geo 1	0
			Geo 2	0
			Geo 3	0
			Geo 4	0
			Geo 5	1
			Geo 6	8
			Geo 7	0

# Example

CPT Code	Rev Code	Modifiers
<b>00810</b> - Anesth, low intestine scope	<b>Null</b>	33, 53, 98, 99, A3, AA, GA, P1, P2, P3, P4, QK, QS, QX, QY, QZ, TD, TE, V8, Null
	<b>0963</b> - Professional fees- anesthesiologist (MD)	AA Null
	<b>0964</b> - Professional fees- anesthetist (CRNA)	25, <b>33</b> , P1, P2, P3, QZ, Null

**Claims Reported: 945**

**Median: \$780**

# Finding an adequate sample

➤ CPT code

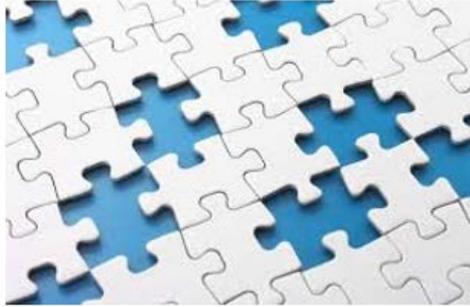
➤ Revenue code

➤ All Modifiers

➤ Statewide

# Backstop rule

If there is not an adequate sample of reported claims for a particular CPT code and revenue code combination, the insurer shall reimburse the provider at a rate negotiated by both parties.



# Data gaps

**How often will we need to apply the backstop rule?**

Procedure Types (CPT code x Rev code)		
Minimum Sample Size	Possible Rates	2015 Reported Claims
None	10,379	21,486,275
1	9,876 (95%)	21,486,275 (100%)
10	6,431 (62%)	21,474,462 (99.999%)
25	5,097 (49%)	21,453,708 (99.998%)
50	4,125 (39%)	21,422,547 (99.997%)

# APAC Data Q&A



# Alternative Methodology

- Minimum sample size: 50, 25, 10, 1 claim(s)
- Consider supplementing 2015 data with 2014 and 2016 data\*
- Use GPCI instead of Geographic Rating Area\*

*\* Possible legal issues*



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**SECTION 5. No later than July 1, 2020, the Department of Consumer and Business Ser-**

# Next Steps

- Methodology for applying CPI adjustment
- Pull sample CPT codes