

Balance Billing Reimbursement Rulemaking Advisory Committee August 14, 2018



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Agenda

1. Anesthesia Claims
2. Non-Anesthesia Claims
3. Geographic Adjustments
4. CPI Adjustment
5. Fiscal Impact Questions

Anesthesia Reimbursement Formula

**(Base units + time + physical status units)
x conversion factor**

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- **Base units:** [2018 CMS/ASA base unit schedule](#)
- **Time:** actual time of the procedure
- **Physical status units:**

Physical Status Modifier	Time units	Minutes
P3	1	15
P4	2	30
P5	3	45

- **Conversion factor:** listed in the sample rate sheet

Conversion factor calculation methodology

Median allowed amount / (time + base units + physical status units)

- Time: Minutes reported for each procedure divided by 15 minute units
- Base units pulled from the [2015 base unit schedule](#)
- Physical status units
- Special qualifying circumstances CPT codes (99100, 99116, 99135, and 99140) factored in.

Non-Anesthesia Claims

Original plan

- Use median rates for each CPT code and modifiers: Null, 26, and TC
- Calculate adjustment factor for all other revenue-impacting modifiers

Issues

- Adjustment payments in the data set throw off the calculations

Non-Anesthesia Claims

Proposed plan

- Rate sheet only includes CPT codes and modifiers: Null, 26, and TC
- For all other modifiers: Providers and payers may negotiate a different reimbursement, taking into account:
 - The base rate for that CPT code; and
 - Adjustments for relevant modifiers based on the payer's plan standards.

Geographic Adjustments

Considerations

- 2 GPCI zones are easier for payers to integrate into existing IT systems.
- 7 geographic rating areas more accurately reflect differentials in cost of providing care in different parts of the state.

CPI Adjustment

107.82% of the calculated rate

- Represents adjustment from January 2015 to June 2018:

Fiscal Impact Questions

- Estimate the number of small businesses and types of business and industries with small businesses subject to the rule
- Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services
- Equipment, supplies, labor and increased administration required for compliance