



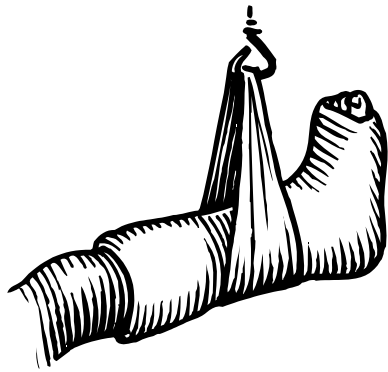
2008 Medical Fee Guide

Maryland Workers' Compensation
Commission

In the beginning . . .



. . .there were. . .



Now there is. . . .

**THE MARYLAND
MEDICAL FEE GUIDE™**



What Changed in 2008?

- COMAR 14.09.03 was rewritten as a comprehensive regulation.
- Effective 01/01/08, Medicare changed its methodology for reimbursement of Ambulatory Surgery Centers (“ASC”) and terminated use of the Group payment rate system.

Effective 03/24/08, the WCC will utilize the Medicare Resource Based Relative Value Scale (“RBRVS”), exclusive of the Federal Budget Neutrality Adjustment Factor, as a basis for calculating reimbursement for certain medical services and treatment.

New Conversion Factors

- MSCF for orthopedic and neurological surgical procedures is \$53.77.
- MSCF for all other medical services and treatment, except as otherwise provided, is \$40.70.
- MSCF for anesthesiology services is \$19.39.

Effective 3/24/08, medical services and treatment are reimbursed by multiplying each RBRVS relative value unit (“RVU”) by the corresponding geographic price cost index (“GPCI”), adding those products, and then multiplying the sum by the applicable Maryland Specific Conversion Factor (“MSCF”).

Annual Adjustments to Fee Schedules

- On January 1st of each year, the WCC shall establish a new MSCF by multiplying the MSCF in effect on December 31st of the prior year by the percentage change in the first quarter Medicare Economic Index (“MEI”) and adding that amount to the prior year’s MSCF.
- On January 1st of each year, the WCC shall establish a new percentage multiplier for ASCs by multiplying the prior year’s multiplier by the percentage change in the first quarter MEI and adding that amount to the prior year’s multiplier.

No Longer Regulate Deposition Fees in Fee Schedule

After 03/24/08, the WCC will no longer regulate deposition fees through the fee schedule.

Added P.A.'s

Licensed Physician's Assistant (P.A.)
added to list of authorized providers

What didn't change?

- The formula for reimbursing anesthesiology services:

$$\text{MRA} = (\text{Time units} + \text{Base units}) \times \text{MSCF}.$$

- MSCF for anesthesiology is \$19.39 (2004 CMS conversion factor x 109%).

- The formula for reimbursing ASC facility fees:

$$\text{MRA} = (\text{a number generated by CMS}) \times 125\%.$$

- How CMS calculates the reimbursement rate did change.

A word from our lawyer. . .

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Overview of Regulation

- 14.09.03.01
“Definitions”
- 14.09.03.02
“Incorporates by Reference 1995 Fee Guide”
- 14.09.03.03
“Calculation of MRA”
- 14.09.03.04
“MRA or Fee Not Established”

Overview continued

- 14.09.03.05
“Guidelines for Using Values and Codes”
- 14.09.03.06
“Reimbursement Procedures”
- 14.09.03.07
“Medical Records”
- 14.09.03.08
“Deposition Witness Fee”

ANESTHESIA SERVICES



HOW TO
CALCULATE
REIMBURSEMENT
RATES

How do I calculate the reimbursement rate for anesthesiology services?

The reimbursement rate for anesthesiology services is calculated by adding the Time Units (TU) and the Base Units (BU) and multiplying the total by the applicable Maryland Specific Conversion Factor (MSCF):

$$\text{MRA} = (\text{TU} + \text{BU}) \times \text{MSCF}$$

Where do I find the Base Units/Basic Values?

1. Go to www.cms.hhs.gov
2. Click on "Medicare" at the top of the page.
3. Scroll down to "Browse by Provider Type" and click on "Anesthesiologists Center."
4. Go to "Billing / Payment" and Click on "2008 Anesthesia Base Units by CPT Code."
(This is a ZIP File that does not display the CPT description.)

OR, you may obtain a .PDF of the entire list of CPT Codes for Anesthesia with descriptions and Base Units by going to the WCC website. Locate the Medical Fee Guide page, go to the anesthesia services instructions and download the PDF file embedded in the instructions.

"[DOWNLOADING HERE.](#)"

How do I calculate Time Units?

A "Time Unit" is a measure of each 15-minute interval, or fraction thereof, during which anesthesiology services are performed. This value is calculated based upon the length of time spent by the provider rendering the service:

Time Units = Total Minutes of Service/15

What is the Maryland Specific Conversion Factor (MSCF) for Anesthesiology Services?

- the MSCF for anesthesia services is \$19.39.
- $MSCF = (CMS\ 2004\ conversion\ rate) \times 109\% = (\$17.79) \times 1.09 = \$19.39$

Sample Calculation

- The Base Unit for Anesthesia CPT 00100 (Anesth, salivary gland) = 5.
- The time units for a procedure that takes 120 minutes to perform would be: $120/15 = 8$ TUs
- Using the above figures the MRA would be calculated as follows: $(8 + 5) \times \$19.39 = \252.07

AMBULATORY SURGERY CENTER (“ASC”)



**HOW TO
CALCULATE
REIMBURSEMENT
RATES**

How do I calculate the facility reimbursement rate for ASCs?

The reimbursement rate for ASCs is calculated by multiplying the CMS/Medicare reimbursement rate (a.k.a. MRR) by 125% :

$$\mathbf{MRA = MRR \times 125\%}$$

Where do I find the MRR (CMS reimbursement rate)?

1. Go to Trailblazer Health website (www.trailblazerhealth.com).
2. Click on “Fee Schedules”
3. Click on “ASC Fee Schedules”

4. Confirm “Year” (2008), “State” (MD), “Region” (Baltimore City), enter a single “HCPCS” or “CPT” code and then click “Search.”

5. Select the option to “Download Entire Locality for 2008 in PDF format.”

OR, you may obtain a .PDF of the Maryland ASC Facility Fee Table, with modifiers, from the WCC website. Locate the Medical Fee Guide page, go to the ASC instructions and download the PDF file embedded in the instructions.

"DOWNLOADING HERE."

H99RPPS5 TRAILBLAZER HEALTH ENTERPRIZES - MARYLAND

JAN. 30, 2008 ASC FEE SCHEDULE DISCLOSURE

CBSA: 12580
EFFECTIVE
DATE:
01/01/2008

		PRO C		FC MOD	FB MOD	MD WCC RATE
HCPCS	MOD	IND	AMOUNT	AMOUNT	AMOUNT	
10021		S	\$ 46.25	\$ -	\$ -	\$57.81
10022		S	\$ 180.34	\$ -	\$ -	\$225.43
10040		S	\$ 33.05	\$ -	\$ -	\$41.31
10060		S	\$ 52.15	\$ -	\$ -	\$65.19

CPT/HCPCS	Proce dure S	Amount	FC MOD Amount	FB MOD Amount	WCC Rate
62360		\$714.74	-	-	\$893.43
62361	S	\$10,225.1 2	\$5,465.55	705.97	\$12,781.40
62362	S	\$10,225.1 2	\$5,465.55	\$705.97	\$12,781.40
62365	S	\$683.41	-	-	\$854.26
62367	S	\$19.94	-	-	\$24.93
62368	S	\$24.15	-	-	\$30.19

What are the elements on the ASC Fee Schedule Download?

- **HCPCS** is the HCPCS or CPT code along with the technical component modifier when applicable.
- **Procedure Indicators** are S (surgical procedure), A (ancillary service), C (carrier priced)
- **Amount** is the CMS price for ASC services without modifier FB or FC.

- **FC MOD Amount** refers to an item where partial credit was received for a replaced device.
- **FB MOD Amount** refers to an item provided without cost to provider, supplier or practitioner, or full credit received for replaced device (e.g., covered under warranty, replaced due to defect, free samples).

Sample Calculation ASC

$$\text{MRA} = \text{MRR} \times 125\%$$

For CPT 10040 (acne surgery)

$$\text{MRA} = 33.05 \times 1.25$$

$$\text{MRA} = \$41.31$$

For more information on ASCs:

Go to the Medicare website:

www.cms.hhs.gov/center/asc.asp and
click on 2008 Revised ASC Payment
System Questions & Answers (updated
03/10/08)

And now, the tricky part. . .



MEDICAL SERVICES AND TREATMENT



**HOW TO
CALCULATE
REIMBURSEMENT
RATES**

How do I calculate the reimbursement rate for medical services and treatment?

The reimbursement rate for medical services and treatment (anesthesiology and ambulatory surgical centers are covered in other sections) is calculated by multiplying each RBRVS relative value unit (RVU) by each corresponding GPCI (geographic price costs index), adding those products, and then multiplying that total by the applicable Maryland Specific Conversion Factor (MSCF).

Terminology: RBRVS

"Resource Based Relative Value Scale" or "RBRVS" means the system by which medical providers are reimbursed based on the resource costs needed to provide a given service. Under the RBRVS, CMS assigns each medical procedure a relative value quantifying the relative work ("work"), practice expense ("PE"), and malpractice costs ("MP") for each service.

RVU

"RBRVS Relative value unit" or "RVU" means the uniform value assigned by CMS to each medical procedure and service identified by CPT/HCPCS code quantifying the work ("work"), practice expense ("PE"), and malpractice costs ("MP") for each service.

GPCI

"Geographic Price Cost Index" or "GPCI" means the resource cost difference of providing a service, by geographic region, reflected in the relative work ("work"), practice expense ("PE"), and malpractice costs ("MP") of the service.

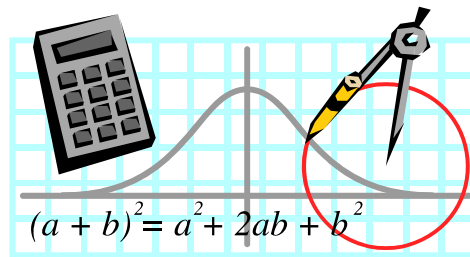
Facility and Non-facility

"Facility" means hospital, ambulatory surgical center, or similar entity.

"Non-facility" means a provider's office.



THE SECRET FORMULA:



**Non-facility MRA = ((RVU Work x GPCI Work)
+ (RVU Transitioned Non-Facility PE x GPCI
PE) + (RVU MP x GPCI MP)) x MSCF.**

Why use this formula?

- CMS uses the same formula when calculating reimbursement but with a Federal Budget Neutrality Factor (which can cause reimbursement to decrease)
- 2008 CMS Non-Facility Pricing Amount =
((Work RVU * Budget Neutrality Adjustor (0.8806)) (round product to two decimal places) * Work GPCI) + (Transitioned Non-Facility PE RVU * PE GPCI) + (MP RVU * MP GPCI)) * Conversion Factor

WCC uses the CMS formula without the Federal Budget Neutrality Factor

Non-facility MRA = ((RVU Work x GPCI Work) + (RVU Transitioned Non-Facility PE x GPCI PE) + (RVU MP x GPCI MP)) x MSCF

It is actually only five functions:

F1 = (RVU Work x GPCI Work)

F2 = ((RVU Transitioned Non-Facility PE x GPCI PE)

F3 = (RVU MP x GPCI MP)

F4 = Add the values from F1 + F2 + F3

F5 = Multiply the value from F4 by the MSCF

Where do I find the RVUs values?

1. Go to www.cms.hhs.gov
2. Click on “Medicare”
3. Go to “Medicare Fee for Service Payment” and click on “Physician Fee Schedule”
4. Click “PFS Federal Regulation Notices”

5. Scroll down and click “Calendar Year Descending”
6. Locate appropriate “Calendar Year” and “Regulation #” as needed (the WCC's calculations use “2008” and “CMS-1385-FC”)
7. Click “Addendum B” zip file from list of available downloads

<u>No.</u>	<u>Column Heading</u>	<u>Description</u>
1	CPT/HCPCS	Current Procedural Terminology / Healthcare Common Procedure Coding System
2	Mod	Modifier
3	Status	Indicates payable status under Fee Schedule if service is covered.
4	Description	Service description
5	Physician Work RVUs	Reflect physician/practitioner work required to furnish a service
6	Fully Implemented Non-Facility PE RVUs	Representative of the non-facility practice expense values by the year 2010 (after 4 year phase-in or transition of PE RVU changes effective January 1, 2007)
7	Year 2008 Transitional Non-Facility PE RVUs	Representative of the second year transition of the non-facility practice expense changes effective January 1, 2008
8	Fully Implemented Facility PE RVUs	Representative of the facility practice expense values by the year 2010 (after 4 year phase-in or transition of PE RVU changes effective January 1, 2007)

9	Year 2008 Transitional Facility PE RVUs	Representative of the second year transition of the facility practice expense changes effective January 1, 2008
10	Mal-Practice RVUs	Reflect malpractice costs inherent in furnishing a service.
11	Fully Implemented Non-Facility Totals	Total non-facility RVUs = [Physician Work RVU + Fully Implemented Non-Facility PE RVU + Mal-Practice RVU]
12	Year 2008 Transitional Non-Facility Totals	Total non-facility RVUs = [Physician Work RVU + Year 2008 Transitional Non-Facility PE RVU + Mal-Practice RVU]
13	Fully Implemented Facility Totals	Total facility RVUs = [Physician Work RVU + Fully Implemented Facility PE RVU + Mal-Practice RVU]
14	Year 2008 Transitional Facility Totals	Total facility RVUs = [Physician Work RVU + Year 2008 Transitional Facility PE RVU + Mal-Practice RVU]
15	Global	Global period

Where do I find the GPCI values?

1. Go to www.cms.hhs.gov
2. Click on “Medicare”
3. Go to “Medicare Fee for Service Payment”
click on “Physician Fee Schedule Look-Up”
4. Click “Physician Fee Schedule Search”
5. Scroll down and click “Calendar Year
Descending”

6. Confirm "Year", "HCPC Criteria" and "Type of Information" required and click "Next" (the WCC calculations use "2008", "Single HCPC" and "Geographical Practice Cost Index")
7. Select "Specific Locality" and click "Next"
8. Select *0090101 = Baltimore/Surrounding Counties, Maryland
9. The next screen will display the following for the "locality" selected:
* GPCI Work * GPCI PE * GPCI MP

Using your GPCI

From the download you obtain the following values: GPCI Work, GPCI PE, and GPCI MP

The GPCI value corresponding to each area (work, PE, MP) is then used in the formula to compute the MRA.

Where do the MSCFs come from?

The MSCFs were derived by multiplying the 2004 CMS conversion factor by the applicable percentage multiplier.

MSCF – Ortho/Neuro

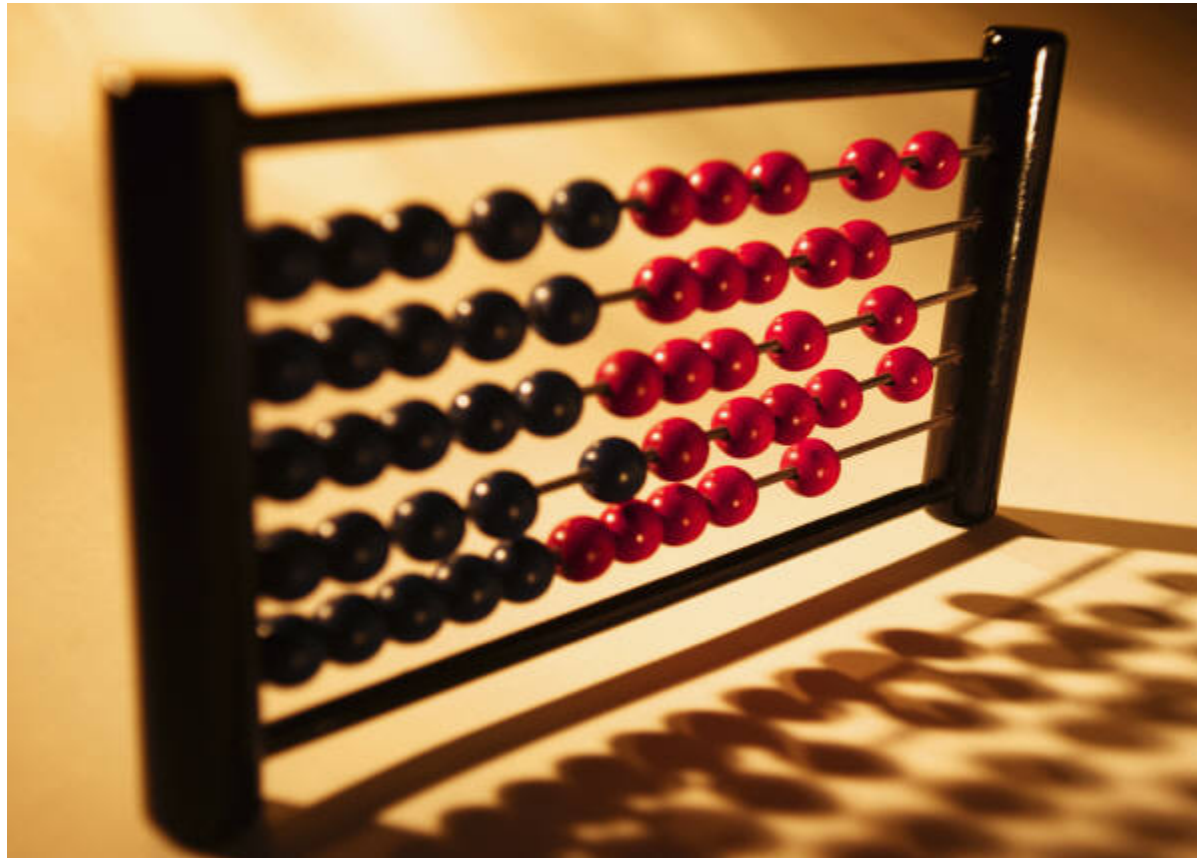
- Ortho/Neurological Surgical MSCF = 2004 CMS Conversion Factor x 144%
- Ortho/Neuro MSCF = \$37.3374 x 144% = \$53.77

MSCF – Other Medical

- All other medical services MSCF = 2004
CMS Conversion Factor x 109%
- All other medical services MSCF =
 $\$37.3374 \times 109\% = \40.70

Now what?

CALCULATE!



You may create a spreadsheet or use another program to calculate the MRA using the formula and the downloaded values, rounding to two decimal places at the end of the calculation.

For each CPT code, you identify the corresponding RBRVS relative value units (RVU) for work, practice expense (PE), and malpractice costs (MP), multiply those by each corresponding GPCI (geographic price costs index), add those sums, and then multiply that total by the applicable Maryland Specific Conversion Factor (MSCF).

OR

You can download the WCC 2008 MRAs for ortho/neuro and all other medical services from the WCC website.

The WCC downloaded the RVU, GPCI and MSCF values, and entered the secret formula into a spreadsheet and calculated the maximum reimbursement allowable.



ADDENDUM B. - RELATIVE VALUE UNITS AND RELATED INFORMATION USED IN DETERMINING MEDICARE PAYMENTS FOR 2008								MRA 2008			
CPT ^{1/} HCPCS	Mod	Status	Description	Physi- cian Work RVUs ²	Year 2008 Transi- tional Non- Facility PE RVUs ²	Year 2008 Transi- tional Facility PE RVUs ²	Mal- Practice RVUs ²	Non-Facility Baltimore Orthopedic and Neurological	Non-Facility Baltimore All Other Med Services and Treatment	Facility Baltimore Orthopedic and Neurological	Facility Baltimore All Other Med Services and Treatment
11983		A	Remove/insert drug implant	3.30	2.46	1.39	0.23	NA	252.41	NA	205.85
12001		A	Repair superficial wound(s)	1.72	1.86	0.75	0.15	NA	157.94	NA	109.64
12002		A	Repair superficial wound(s)	1.88	1.92	0.87	0.17	NA	167.96	NA	122.27
12004		A	Repair superficial wound(s)	2.26	2.20	0.97	0.21	NA	197.44	NA	143.92
12005		A	Repair superficial wound(s)	2.88	2.67	1.13	0.27	NA	245.89	NA	178.89
12006		A	Repair superficial wound(s)	3.68	3.23	1.40	0.35	NA	306.49	NA	226.87
12007		A	Repair superficial wound(s)	4.13	3.59	1.64	0.45	NA	344.80	NA	259.96
12011		A	Repair superficial wound(s)	1.78	2.02	0.77	0.16	NA	167.78	NA	113.39
12013		A	Repair superficial wound(s)	2.01	2.17	0.91	0.18	NA	184.60	NA	129.78
12014		A	Repair superficial wound(s)	2.48	2.43	1.02	0.23	NA	217.33	NA	155.98
12015		A	Repair superficial wound(s)	3.21	2.96	1.18	0.29	NA	272.92	NA	195.48
12016		A	Repair superficial wound(s)	3.94	3.36	1.40	0.37	NA	323.68	NA	238.40
12017		A	Repair superficial wound(s)	4.72	NA	1.71	0.47	NA	NA	NA	288.13
12018		A	Repair superficial wound(s)	5.54	NA	2.09	0.64	NA	NA	NA	345.42
12020		A	Closure of split wound	2.64	3.76	1.84	0.30	NA	284.66	NA	201.12
12021		A	Closure of split wound	1.86	1.84	1.37	0.24	NA	166.53	NA	146.08
12031		A	Layer closure of wound(s)	2.17	3.09	1.37	0.17	NA	230.81	NA	155.97
12032		A	Layer closure of wound(s)	2.49	4.53	2.04	0.16	NA	306.23	NA	197.89
12034		A	Layer closure of wound(s)	2.94	3.90	1.72	0.25	NA	301.05	NA	206.20
12035		A	Layer closure of wound(s)	3.44	5.25	2.13	0.39	NA	386.14	NA	250.39

Can you show me a sample calculation?

CPT / HCPCS	12001
Modifier	-
Status	A
Description	Repair Superficial Wound
Physician Work RVU	1.720
Work GPCI (<i>Balt/Surr Cnty</i>)	1.012
Trans. Non-Facility PE RVU	1.860
PE GPCI (<i>Balt/Surr Cnty</i>)	1.069
Mal-Practice RVU	0.150
MP GPCI (<i>Balt/Surr Cnty</i>)	1.010

The Math:

CPT / HCPCS	12001	<ul style="list-style-type: none"> • Non-facility MRA = ((RVU Work x GPCI Work) + (RVU Transitioned Non-Facility PE x GPCI PE) + (RVU MP x GPCI MP)) x MSCF
Modifier	-	
Status	A	
Description	Repair W	
Phy Work RVU	1.720	
Work GPCI	1.012	<ul style="list-style-type: none"> • Non-Facility MRA = ((1.720 x 1.012) + (1.860 x 1.069) + (0.150 x 1.010)) x 40.70
Trans. PE RVU	1.860	
PE GPCI	1.069	
Mal-Practice RVU	0.150	
MP GPCI	1.010	<ul style="list-style-type: none"> • Non-Facility MRA = 157.94

Not Regulated in MFG



Durable Medical Equipment, Pharmaceuticals,
Dental Procedures

Annual Adjustments Based on the Medicare Economic Index

On January 1st of each year, the WCC shall establish a new MSCF by multiplying the MSCF in effect on December 31st of the prior year by the percentage change in the first quarter Medicare Economic Index (“MEI”) and adding that amount to the prior year’s MSCF.

Calculation of New MSCF

2009 MSCF =

$(2008 \text{ MSCF} \times \% \Delta \text{ MEI}) +$

2008 MSCF

Annual Adjustment for ASCs

On January 1st of each year, the WCC shall establish a new percentage multiplier for ASCs by multiplying the prior year's multiplier by the percentage change in the first quarter MEI and adding that amount to the prior year's multiplier.

Calculation of New Multiplier

$$\begin{aligned} 2009 \text{ Multiplier} = & \\ & (2008 \text{ Multiplier} \times \% \Delta \text{ MEI}) + \\ & 2008 \text{ Multiplier} \end{aligned}$$

GOOD NEWS!



The WCC will calculate the new MSCF and new multiplier for each year beginning January 1, 2009 so
YOU DON'T HAVE TO!