

Bulletin Number: MSA 14-61

Distribution: Practitioners, Outpatient Hospitals, Medicaid Health Plans

Issued: December 1, 2014

Subject: Practitioner Reimbursement Update

Effective: January 1, 2015

Programs Affected: Medicaid

NOTE: Implementation of this policy is contingent upon approval of a State Plan Amendment by the Centers for Medicare & Medicaid Services (CMS).

This bulletin provides information regarding the Michigan Department of Community Health (MDCH) update to the Practitioner Services fee schedule and implementation of a rate adjustment for specified primary care practitioner services effective for dates of service on or after January 1, 2015.

RATE UPDATE FOR PRACTITIONER SERVICES

For dates of service on and after January 1, 2015, individual practitioner service maximum allowable fees that are established using the Resource Based Relative Value Scale (RBRVS) methodology, as adopted in the Medicare Fee Schedule Data Base (MFSDB) and published by CMS in the Federal Register, will be updated by applying calendar year 2015 relative value units (RVU). The updated RVUs will be multiplied by the state's existing conversion factor of \$21.53. Rate adjustments made in 2009 pursuant to Executive Order 2009-22 and Public Act 131 of 2009 (8% reduction) remain in effect as outlined in MSA 09-62.

Certain specified physician services that may have been subject to previous rate adjustments will not be affected by this rate update. These include preventive medicine visits and specific newborn care codes (MSA 08-45) and obstetric codes (MSA 14-32) as these code rates have been adjusted to comply with prior state budget appropriations as mandated by the state legislature.

RATE ADJUSTMENT FOR PRIMARY CARE PRACTITIONER SERVICES

MDCH also plans to implement Section 1801 of Public Act 252 of 2014, which provides for increased payments for Medicaid primary care services rendered by primary care physicians. The previous physician primary care rate increase as described in MSA Bulletin 12-66 related to the implementation of Section 1202 of the Affordable Care Act is time-limited and will expire on December 31, 2014.

For dates of service on and after January 1, 2015, MDCH will apply an increased payment rate to enrolled providers for primary care services delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine. The increase will apply to a specific set of services that have been designated as primary care.

For primary care providers identified as eligible for the primary care rate adjustment, payment will be made on the qualified procedure codes as published in a separate Medicaid Practitioner Fee Schedule. The rates for this primary care adjustment will be published on the MDCH website at www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Physicians/Practitioners/Medical Clinics. The Primary Care Fee Schedule will reflect rates that have been adjusted in compliance with funding levels established by Section 1801 of Public Act 252 of 2014. The Fee Schedule will, therefore, be set at a reasonable estimate of the midpoint between Medicaid rates and Medicare levels.

Adjustments pursuant to Executive Order 2009-22 and Public Act 131 of 2009 (8% reduction) will also remain in effect as outlined in MSA 09-62.

PROVIDER ELIGIBILITY – Primary Care Practitioners

In compliance with the language and intent of Section 1801, physicians with primary specialty designations of family medicine, general internal medicine, and pediatric medicine may qualify as primary care providers for purposes of increased payment. Eligibility for this payment is limited to being board certified or board eligible in one of the three designated primary care specialties as recognized by the American Board of Medical Specialties, American Osteopathic Association, and the American Board of Physician Specialists. Primary care physicians may also be determined eligible by conducting a thorough review of the physicians practice characteristics as identified through their billing history.

Consistent with existing Medicaid policy, providers are required to update and maintain accurate provider enrollment information, including primary specialty and subspecialty designations in their Community Health Automated Medicaid Processing System (CHAMPS) enrollment profile.

Physician practitioners whose CHAMPS Provider Enrollment profile information reflects that they provide specialty or subspecialty, (e.g. cardiology, endocrinology, or oncology, etc.) services will not be eligible for the adjusted payment. Providers with multiple subspecialties will also not be eligible for the adjusted payment. Exceptions will be made for practitioners who have subspecialty practices in adolescent and geriatric medicine.

Before enhanced payments are made, MDCH will verify that a practitioner meets the eligibility criteria which are identified as the following:

- **Board Certification:** A primary care physician who has designated their primary specialty in their CHAMPS enrollment file as one of the three eligible specialties and has provided applicable Board certification information will be validated by MDCH prior to any enhanced payment.

If a provider met Board Certified criteria under the previous Section 1202 rate uplift as outlined in MSA 12-66, this designation will remain in his or her Provider Enrollment profile. Board certified physicians with subspecialty designations that are not eligible for the new primary care rate as described above will not be eligible for the primary care rate.

Board Eligible: A primary care physician who has designated their primary specialty in their CHAMPS enrollment file as one of the three eligible specialties and has provided applicable documentation to support board eligibility status is also eligible for the enhanced payment. MDCH will recognize physicians as board eligible for the period of time as defined by the applicable medical board following completion of their medical residency training program in one of the defined specialties.

CHAMPS Provider Enrollment screens will be updated in early 2015 to accommodate board eligibility data submission.

- **Review of Practice Characteristics:** For non-board certified or non-board eligible primary care physicians, MDCH will review an enrolled provider's billing history for the previous calendar year. At least 60 percent of the physician's codes paid by Medicaid must be for the evaluation and management (E/M) codes specified in this policy, including the preventive medicine E/M codes. This review of practice characteristics will be done by MDCH only for providers who have self-attested by designating in their CHAMPS enrollment file that their primary specialty is one of the three eligible specialties.

If a provider met the practice characteristics review criteria under the previous Section 1202 rate uplift as outlined in MSA 12-66, this designation will remain in his or her Provider Enrollment profile until December 31, 2015. Physicians meeting practice characteristic criteria with subspecialty designations that are not eligible for the new primary care rate as described above will not be eligible for the primary care rate.

- **Non-physician Practitioners:** Nurse practitioners (NPs) and physician assistants (PAs), who provide primary care services under the personal supervision of a physician who is one of the primary care specialty types designated in this policy, may be reimbursed at the enhanced rate. Claims submitted by NPs and PAs must include their own NPI as the rendering provider and the NPI of their supervising/delegating physician. If the NP's or PA's supervising/delegating physician has not been identified as an eligible provider for the primary care rate, as verified by CHAMPS enrollment, services performed by the NP or PA will not receive the enhanced rate.

Practitioners delivering primary care services at Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs) and Local Health Departments (LHDs) are not eligible for these enhanced payments. Practitioner services in these settings are reimbursed using a payment methodology designed to reimburse those providers at cost and are made on a facility basis, not specific to the physician's services.

Practitioners who participate in the MDCH Physician Adjustor Program will be eligible for the primary care provider rate increase. For these participating providers, MDCH will calculate the Physician Adjustor Program payment adjustment consistent with the existing methodology.

Physicians with primary specialty designations of family medicine, general internal medicine, and pediatric medicine that are affiliated with Medicaid Health Plans (MHP) are eligible for the primary care provider rate increase as identified by their Primary Care Provider status within the MHP network.

ELIGIBLE PRIMARY CARE SERVICES –Allowable Codes

Primary care physician services subject to the enhanced primary care are defined as Healthcare Common Procedure Coding System (HCPCS) codes:

- 99201 through 99215 for new and established patient office or outpatient evaluation and management (E/M) visits
- 99304 through 99318 for initial, subsequent, discharge and other nursing facility E/M services
- 99324 through 99337 for new and established patient domiciliary, rest home or custodial care E/M services
- 99341 through 99350 for new and established patient home E/M visits

Note: While MDCH acknowledges that preventive medicine services are an integral part of primary care services, HCPCS codes 99381 through 99397 for new and established patient preventive medicine E/M visits are not included as part of the rate adjusted primary care codes at this time. As outlined in MSA 08-45, this range of codes has previously been subject to rate adjustments per legislative mandate.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Stephen Fitton, Director
Medical Services Administration