

## Physician Services

### Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

#### **Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment**

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

Alabama has only one Medicare locality. The fee schedule was developed using the January release and the 2009 conversion factor. The fee schedule will not be update during the year to reflect any Medicare changes.

- The rates reflect all Medicare site of service and locality adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: \_\_\_\_\_

#### **Method of Payment**

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made:  monthly  quarterly  semi-annually  annually

#### **Primary Care Services Affected by this Payment Methodology**

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes). 99441, 99442, 99443, 99444, and 99499

**(Primary Care Services Affected by this Payment Methodology – continued)**

The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

**99224**, added 01/01/2011; **99225**, added 01/01/2011 and **99266**, added 01/01/2011

**Physician Services – Vaccine Administration**

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

Medicare Physician Fee Schedule rate

State regional maximum administration fee set by the Vaccines for Children program

Rate using the CY 2009 conversion factor

**Documentation of Vaccine Administration Rates in Effect 7/1/09**

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is:\_\_\_\_\_.

A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: \$8.00.

Alternative methodology to calculate the vaccine administration rate in effect 7/1/09:

Note: This section contains a description of the state's methodology and specifies the affected billing codes.

The Alabama Medicaid Agency requires VFC administration fees to be billed using the specific product code (vaccine codes). The VFC administration fee in Alabama in effect on 7/1/09 was \$8.00 per product code.

To set the rate for the vaccine administration fee for purposes of the “Charges for Vaccine Administration under the Vaccines for Children Program” the Regional Maximum Administration rate of \$19.79 for Alabama was compared to the 2013 Medicare rate for procedure code 90460 using the 2009 conversion factor 36.0666 and the 2013 and 2014 RVUs for procedure code 90460. This rate was calculated to be \$24.66. Since \$19.79 is less than \$24.66 the VFC administration rate for Alabama Medicaid will be \$19.79 effective January 1, 2013. This new rate represents an \$11.79 increase over the \$8.00 reimbursement rate effective 7/1/2009.

The following single product (vaccine) codes have been billed in lieu of vaccine administration codes since the inception for the VFC Program in Alabama with reimbursement fee or \$8.00.

90633 90636 90645 90647 90648 90649 90650 90655 90656 90657 90658 90660  
90669 90670 90680 90681 90696 90698 90700 90702 90707 90710 90713 90714  
90715 90716 90718 90721 90723 90732 90733 90734 90744 90748.

These codes will be cross walked to procedure 90460 for vaccine administration effective January 1, 2013 for eligible providers under (42 CFR Part 438, 411 and 441).

### **Effective Date of Payment**

#### **E & M Services**

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at ([www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)).

#### **Vaccine Administration**

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at ([www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)).

Supersedes Page: None

#### **PRA Disclosure Statement**

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