

STATE: MINNESOTA
Effective: July 1, 2009
TN: 09-20
Approved: NOV 03 2010
Supersedes: 09-25 (08-17,07-12,07-08,07-09,07-06,06-19,05-21)

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- 5.a. Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere. (continued)

Additional payment adjustment for physician practice groups at Hennepin County Medical Center and Regions Hospital

Effective for services delivered on or after July 1, 2009, in recognition of the services provided by physicians affiliated with the two largest safety net hospitals, an additional adjustment, in total for the physician practice groups associated with Hennepin County Medical Center (Hennepin Faculty Associates) and with Regions Hospital (HealthPartners), will be made each calendar year, within two years following the close of the federal fiscal year, that equals the difference between average commercial payer rates for the hospital-based services delivered by physicians affiliated with Hennepin County Medical Center and Regions Hospital and the rates paid to those physicians under this section of Attachment 4.19-B using rates from the most recently complete calendar year available. Non-physician practitioner services, anesthesia services and bundled radiology services are excluded from this payment. Total payments shall be based on data and calculated beginning in January of each year as follows:

1. For physician services delivered at Hennepin County Medical Center by physicians practicing with Hennepin Faculty Associates, the set of services (by HCPCS code) delivered to Medicaid eligible individuals and billed on a fee-for-service basis shall be determined using MMIS data.

For physician services delivered at Regions Hospital by physicians practicing with HealthPartners, the set of services (by HCPCS code) delivered to Medicaid eligible individuals and billed on a fee-for-service basis shall be determined using a list of transaction control numbers from HealthPartners' billing system. DHS will use the supplied transaction control numbers to extract the relevant HCPCS codes from the MMIS system.

2. The payment rate for HCPCS code will be supplied, by the practice groups, for the top five commercial payers from

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the billing systems of the two physician practice groups.

3. The payment rates for each HCPCS code for each of the commercial payers will be averaged to determine the average commercial payer rate for each HCPCS code.
4. For each of the two physician practice group data sets, the average commercial payer rate is multiplied by the Medicaid frequency for the HCPCS codes for that physician practice group.
5. For each of the two physician practice group data sets, the Medicaid payment amount is subtracted from the result in paragraph 4 for each HCPCS code.
6. The final payment amount for each of the two physician practice groups is equal to the sum of the amounts in paragraph 5.