

March 24, 2016

Kentucky Department of Workers' Claims

Stakeholder Meeting

May 8, 2018



About FAIR Health

- **Origins:** Established as a conflict-free, independent, national not-for-profit
- **Mission:** To bring transparency and integrity to healthcare costs and health insurance information
- **Action:** Fulfills mission with robust data products and custom analytics, award-winning consumer tools and research platform
- **Role:** Supporting the Kentucky Department of Workers' Claims to update the 2018 Kentucky Workers' Compensation Fee Schedule for Physicians



Stakeholders We Serve

- Government
- Researchers/Universities
- Payors
- Employers
- Healthcare Systems/Facilities
- Healthcare Professionals
- Bill Review Companies
- Consumers
- Unions
- TPAs
- Auto Liability
- Benefits Planners
- Dispute Resolution Entities
- Consultants
- Pharma
- Actuaries
- Brokers
- DME Companies
- Think Tanks
- Investment Analysts
- Litigation Support
- Medical Societies
- Trade Associations
- Workers' Compensation
- Institutes/Foundations
- Healthcare Information Technology (HIT)



The FAIR Health Private Claims Repository

>25B*

**Procedures from 2002 to the Present
from Medical and Dental Claims**

**Updated on a monthly basis*

>150M

Covered Lives

493

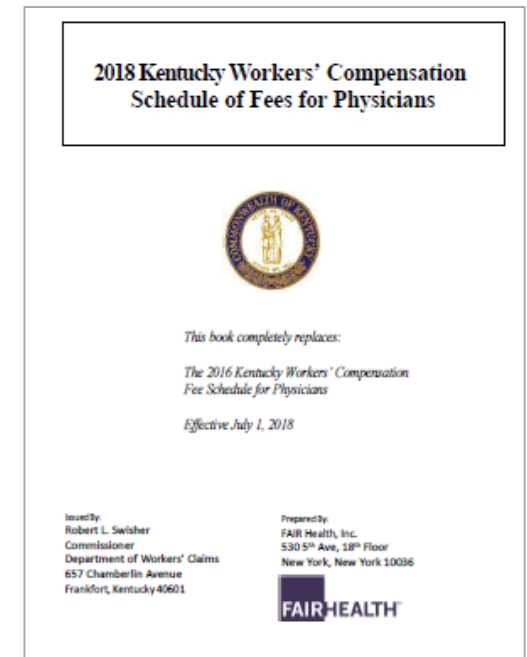
**Geozip Regions
Reflecting Local
Billing Patterns**



2018 Fee Schedule Methodology

Methodology consistent with 2016 WC Fee Schedule:

- Maximum Allowable Reimbursement (MAR) based on 45th percentile of FAIR Health charge benchmarks
- Based on claims for services performed in Kentucky only
 - When volume of data is insufficient, MAR was derived using a relative value and conversion factor methodology
- For consistency and stability MAR is limited
 - No less than 80% of 2016 MAR
 - No more than 120% of 2016 MAR
- Reference CMS values
- No change to methodology for transportation codes
 - Ground transportation: 145% of Medicare
 - Air transportation: 210% of Medicare
 - Separate rates for urban, rural and super rural zip codes



Updated Codes

Added	Removed
<ul style="list-style-type: none"> 218 CPT/CDT/HCPCS codes introduced since 2016 	<ul style="list-style-type: none"> 124 CPT/HCPCS codes that were deleted since 2016

New codes by service area

E/M	5	Radiology	7	HCPCS	76
Anesthesia	8*	Path/Lab	6	Physical Medicine	10
Surgery	83	General Medicine	12*	Dental	15

*4 new moderate sedation CPT codes appear in both Anesthesia and General Medicine

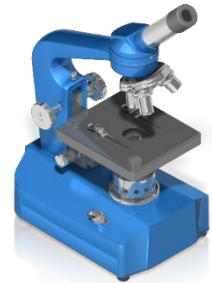
Summary of Changes for 2018

- Advanced Practice Registered Nurse (APRN)
 - Added Advanced Practice Registered Nurse to the list of mid-level practitioners and updated the mid-level practitioner modifier
- Expansion of HCPCS section
 - E codes – additional orthopedic devices
 - L codes – additional prosthetics
- Drug testing
 - Revised to include CPT codes for presumptive drug testing
 - Aligned drug testing coverage limits with Kentucky Board of Medical Licensure guidance and Section 1 of House Bill 2 of the 2018 Regular Session
- Updated guidance for determining usual and customary fees for By Report codes
 - Use data from a nationally recognized source that accounts for rural areas of Kentucky
 - If above data cannot be accessed, seek information from providers in the same area and average the cost
- Relationship of fee schedule to Pharmacy Fee Schedule pursuant to 803 KAR 25:092
- Addition of services eligible for telemedicine



Drug Testing

- The AMA CPT Editorial Panel established codes 80305 - 80307 for presumptive drug testing
 - Replaces HCPCS codes G0477–G0479 for presumptive drug testing
- The CPT codes are differentiated by how the results are read
 - 80305 – direct optical observation
 - 80306 – instrument assisted direct optical observation
 - 80307 – instrument chemistry analyzers
- No change to codes for definitive drug testing
 - Use HCPCS codes G0480–G0483 for definitive drug testing
 - These codes are differentiated by the number of drug classes tested
 - Do not use CPT codes 80320-80377



Telemedicine

- CPT Modifier 95 - synchronous (real-time) telemedicine services

Synchronous Telemedicine Service Rendered via Real-Time Interactive Audio and Video Telecommunications System

Synchronous telemedicine service is defined as a **real-time** interaction between a physician or other qualified health care professional and a patient who is located at a distant site from the physician or other qualified health care professional. The totality of the communication of information exchanged between the physician or other qualified health care professional and the patient during the course of the synchronous telemedicine service must be of an amount and nature that would be sufficient to meet the key components and/or requirements of the same service when rendered via a face-to-face interaction.

- Certain services are eligible for telemedicine
 - Evaluation and management services
 - General medicine
 - Physical medicine



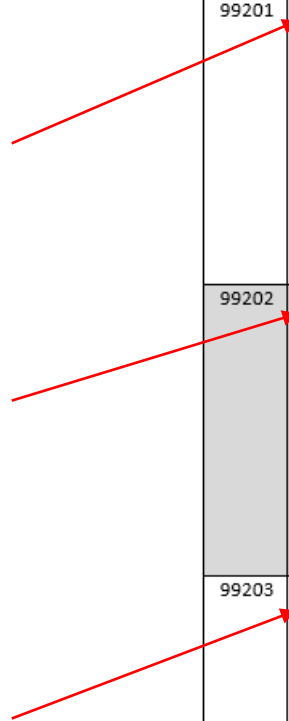
Services Eligible for Telemedicine

Category	Services	Codes
Evaluation & Management	<ul style="list-style-type: none"> • New and established patient visits • Psychotherapy evaluations • Transitional care management 	99201- 99205, 99212-99215, 99354,99355, 99495, 99496
General Medicine	<ul style="list-style-type: none"> • Psychiatric diagnostic evaluations • Psychotherapy sessions • Psychotherapy for crisis • Family psychotherapy • Pharmacologic management • Neurobehavioral status exams • Health and behavior assessments • Health and behavior intervention • Education and training for patient self-management 	90791-90792, 90832-90847, 90863, 96116, 96150-96152, 96154 98960-98962
Physical Medicine	<ul style="list-style-type: none"> • Medical nutrition therapy 	97802-97804

Identifying Telemedicine Codes in the Fee Schedule

- New column in rate tables for “Setting” (SET)
 - “T” designates codes eligible for telemedicine using modifier 95

CODE	SET	STAT	DESCRIPTION	MAR	PC AMT	FUD	ASST
99201	T		Office or other outpatient visit for the evaluation and management of a new patient, which requires these 3 key components: a problem focused history; a problem focused examination; straightforward medical decision making. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are self limited or minor. Typically, 10 minutes are spent face-to-face with the patient and/or family.	\$65.00		XXX	N*
99202	T		Office or other outpatient visit for the evaluation and management of a new patient, which requires these 3 key components: an expanded problem focused history; an expanded problem focused examination; straightforward medical decision making. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of low to moderate severity. Typically, 20 minutes are spent face-to-face with the patient and/or family.	\$106.00		XXX	N*
99203	T		Office or other outpatient visit for the evaluation and management of a new patient, which requires these 3 key components: a detailed history; a detailed examination; medical decision making of low complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of moderate severity. Typically, 30 minutes are spent face-to-face with the patient and/or family.	\$161.00		XXX	N*



Other Changes by Service Category

- Moderate Sedation

- Four new moderate sedation CPT codes were added to the fee schedule; they appear in two places:

1. At the end of the Anesthesia section
2. General Medicine



- Surgery

- Two levels of MAR were set for codes 31296, 31297, 37233, 37238, 37241 depending on whether the service was performed in a facility (hospital, ASC) or an office / non-facility setting
 - These codes are identified in the Settings column with either an “O” (office) or “F” (facility) in the Setting column

- Pathology/Lab

- Aligned drug testing coverage limits with the Kentucky Board of Medical Licensure guidance and Section 1 of HB 2, 2018 Regular Session

Questions



Thank You

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Root Canal \$ Appendectomy \$ Spinal Tap \$ Cavity filling \$ Checkup \$
Cholecystectomy \$ Hand Surgery \$ Sprained ankle \$ Liver Transplant \$ Neurosurgery \$ Mastectomy \$
Childbirth \$ Heart attack \$ Stroke \$ Diabetes treatment \$ Cataract Surgery \$ Knee Surgery \$
Broken Arm \$ ARTHROSCOPY \$ Tonsillectomy \$ PET scan \$
Hospital stay \$ Hip replacement \$ Alzheimer's treatment \$ Emphysema \$ Ambulance \$ Anemia \$
Mammogram \$ MRI \$ CAT Scan \$ Colonoscopy \$ cancer treatments \$
Dental checkup \$ Heart Surgery \$ Ear Tubes \$ Teeth Cleaning \$ Emergency Surgery \$
ER visit \$ X-rays \$ Knee Replacement Surgery \$
Immunization \$ Pneumonia \$ Broken bones \$ Plasmapheresis \$ Angioplasty \$ hysterectomy \$

