Kentucky Department of Workers’ Claims Stakeholder Meeting

March 24, 2016
About FAIR Health

• **ORIGINS:** established as conflict-free, independent, national not-for-profit

• **MISSION:** to bring clarity to healthcare costs and health insurance information

• **ACTION:** fulfills mission with robust data products, award-winning consumer tools and research platform

• **ROLE:** working with the Kentucky Department of Workers’ Claims to update the fee schedule for 2016
FAIR Health Data

19B+
Procedures From 2002
Consisting of Medical and Dental Claims

151M
Covered Lives
(Approximately 75% of the Privately Insured Population)

493
Geozip Regions
Reflecting Local Billing Patterns

~4B
Medicare Claim Lines

Data received continually from 60 payors
Undergo rigorous auditing and validation
Create a highly secure, robust claims database
Organize by procedure code and “geozip”
Capturing approximately 75% of the privately insured population

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2016 Fee Schedule Methodology

- 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 2013 MAR
  - No more than 120% of 2013 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**
- CPT/HCPCS codes introduced since 2013
- Existing procedures/services relevant to workers’ compensation that were not included in 2013

**Removed**
- CPT/HCPCS codes that were deleted since 2013
- Services/procedures not relevant to workers’ compensation

**New codes by service area**

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Added</th>
<th>Removed</th>
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</thead>
<tbody>
<tr>
<td>E/M</td>
<td>7</td>
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<tr>
<td>Physical medicine</td>
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<td>HCPCS – J Codes 544</td>
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<td>Anesthesia</td>
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<td>Dental</td>
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<td>HCPCS – K Codes 9</td>
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<td>Surgery</td>
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<td>12</td>
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<tr>
<td>HCPCS – A Codes</td>
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<td>HCPCS – L Codes 48</td>
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<td>Radiology</td>
<td>26</td>
<td>29</td>
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<tr>
<td>HCPCS – C Codes</td>
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<td>HCPCS – Q Codes 37</td>
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<tr>
<td>Path/Lab (including 7 G codes)</td>
<td>90</td>
<td>41</td>
</tr>
<tr>
<td>HCPCS – E Codes</td>
<td></td>
<td>HCPCS – S Codes 8</td>
</tr>
<tr>
<td>General Medicine (including 7 drug testing codes)</td>
<td>37</td>
<td>18</td>
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</tbody>
</table>
Notable Changes by Service Area

• Evaluation and management
  – Clarification of how CMS Documentation Guidelines should be used for E/M services per patient encounter

• Anesthesia
  – Clarification of anesthesia begin and end time
  – 8 minutes (formerly 6 minutes) is considered a significant portion of a time unit for calculating additional anesthesia time units
  – Documentation requirements for a second attending anesthesiologist

• Surgery
  – Clarification of coding when an operating microscope is used

• Physical Medicine
  – CPT 97545, work hardening/conditioning initial 2 hours, should by prorated in 15 minute increments
Guidance for Drug Testing

• Seven HCPCS G codes have been introduced for drug testing
  – G codes apply to testing for drug classes
  – Three screening/presumptive testing codes, G0477–G0479
    • Differentiated by how the results are read
  – Four definitive testing codes, G0480–G0483
    • Definitive testing codes are used to identify specific drugs and quantities
    • Differentiated by how many drug classes are included in each test

• G codes should be used for drug testing
  – CPT drug testing codes 80300–80377 are not valued
  – Refer to the G codes for drug testing reimbursement

• Medical necessity language has been added for drug testing services
Additional HCPCS Categories

• Certain C codes have been added to the fee schedule
  – MAR is by report for all included C codes
• Certain G codes are included for 2016
  – Codes for drug testing (mentioned earlier)
  – Telehealth codes
  – Others
• J codes have been expanded
Thank You

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www.consumidor.fairhealth.org

Root Canal $ Appendectomy$ Spinal Tap $ Cavity filling $ Checkup $
Cholecystectomy $ Hair 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 treatment$
Dental checkup $ Heart Surgery $ Ear Tubes $ Teeth Cleaning $ Emergency Surgery $
ER visit$ X-rays $ Knee Replacement Surgery$
Immunization $ Pneumonia $ Broken bones $ Plasmapheresis $ Angioplasty $ hysterectomy$