



Examining Recent Changes to Medicaid Provider Reimbursement Fees in Connecticut

Presentation to the Medicaid
Managed Care Council

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Background

Medicaid provider rate increases

- Appropriation included:
 - \$96.3 million for FY 2008
 - \$122.7 million in FY 2009
 - Of appropriated funds in each FY, \$27.3 million for physician fee increases.
- New rates became effective January 1, 2008
- Funds apply to care for FFS, HUSKY, SAGA, & BHP

Background

Medicaid reimbursement and physician participation

- Historically, Medicaid reimbursement rates have been low compared to Medicare and commercial rates
- American Academy of Pediatrics survey (2000) found that pediatricians in Connecticut and nation-wide cite low reimbursement levels as the primary reason for not participating in Medicaid
- Research shows that Medicaid fee increases are associated with increased provider participation, and more time spent with patients

Background

Effect of low provider participation

- Low provider participation in Medicaid results in increased dependence on hospitals and other safety net providers
- Safety net providers depend on other sources of public funding to cover costs associated with care for the uninsured and low reimbursement rates for those with Medicaid coverage

Background

Access to care in the HUSKY program

- Percent of Connecticut pediatricians who say they participate in Medicaid (88%) is slightly below the national average (89%) and well below the average in New England (95%) (AAP Survey, 2000)
- HUSKY Mystery Shopper Report (2006) showed problems with access to care for newly enrolled children

Purpose

- To provide detailed analysis of recent changes in the Medicaid physician fee schedule for pediatric, obstetrical, and other selected services
- To compare Medicaid physician fees to Medicare fees for the same procedures

Methods

Procedure categories:

- Pediatric preventive services
- Pediatric outpatient services
- Obstetric services
- General medical outpatient services

Methods

Data Sources

- Medical Assistance Policy Fee Schedules for 2006 and 2008 (www.ctdssmap.com)
- Centers for Medicare and Medicaid Services (CMS) Provider Fee Schedule Carrier Specific Files, adjusted for regional variation in price (<http://www.cms.hhs.gov/pfslookup/>)
- Selected procedures commonly used for pediatric and obstetric patients

Pediatric Preventive Services

- No change to well child care reimbursement rates
- Reimbursement for vaccine administration increased by 25% on average
- New policy under review would allow developmental screening to be billed on the same day as a well-child or other office visit

Results

Pediatric Preventive Services

		Pediatric Reimbursement Rates				
Code	Procedure Description	2008	2006 Inflation-Adj.	2006 (unadj)	Change 08 vs. 06 (unadj)	Change 08 vs. 06 (adjusted)
99381	Initial prev. medicine eval., infant	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99382	Initial prev. medicine eval., 1-4	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99383	Initial prev. medicine eval., 5-11	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99384	Initial prev. medicine eval., 12-17	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99385	Initial prev. medicine eval., 18-39	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99391	Periodic prev. med. reeval., infant	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99392	Periodic prev. med. reeval., 1-4	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99393	Periodic prev. med. reeval., 5-11	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99394	Periodic prev. med. reeval., 12-17	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99395	Periodic prev. med. reeval., 18-39	\$93.60	\$98.06	\$93.60	0.0%	-4.6%
99401	Prev. med. counseling 15m	\$36.46	\$37.73	\$36.01	1.2%	-3.4%
99402	Prev. med. counseling 30m	\$60.86	\$63.23	\$60.35	0.8%	-3.7%
99403	Prev. med. counseling 45m	\$83.88	\$88.05	\$84.04	-0.2%	-4.7%
99404	Prev. med. counseling 60m	\$107.28	\$113.54	\$108.37	-1.0%	-5.5%
99411	Prev. med. counseling. Group, 30m	\$11.11	\$12.12	\$11.57	-4.0%	-8.3%
99412	Prev. med. counseling. Group, 60m	\$16.63	\$18.18	\$17.35	-4.1%	-8.5%
96110	Developmental Screening	\$18.00	\$81.86	\$78.13	-77.0%	-78.0%
96111	Developmental Screening, extended	\$80.92	\$81.86	\$78.13	-4.1%	-8.5%
Average % change for pediatric preventive services:					-4.9%	-9.2%

Pediatric Outpatient Services

- Fee schedule increased 6% on average
- Shorter visits received fee cuts, longer visits received fee increases
- Fees were adjusted based on utilization, so expenditures will increase an estimated 18%

Results

Pediatric Outpatient Services

		Pediatric Reimbursement Rates				
Code	Procedure Description	2008	2006 Inflation-Adj.	2006 (unadj)	Change 08 vs. 06 (unadj)	Change 08 vs. 06 (adjusted)
99201	Office or other outpatient visit for the evaluation and management of a new patient. 10m	\$33.48	\$36.08	\$34.44	-2.8%	-7.2%
99202	(same as above) 20m	\$58.05	\$57.79	\$55.16	5.2%	0.4%
99203	(same as above) 30m	\$85.69	\$86.35	\$82.42	4.0%	-0.8%
99204	(same as above) 45m	\$129.27	\$122.72	\$117.13	10.4%	5.3%
99205	(same as above) 60m	\$161.76	\$156.03	\$148.93	8.6%	3.7%
99211	Office or other outpatient visit for the evaluation and management of an established patient. 10m	\$19.27	\$23.56	\$22.49	-14.3%	-18.2%
99212	(same as above) 20m	\$34.62	\$36.20	\$34.55	0.2%	-4.4%
99213	(same as above) 30m	\$55.41	\$47.25	\$45.10	22.9%	17.3%
99214	(same as above) 45m	\$83.87	\$74.11	\$70.74	18.6%	13.2%
99215	(same as above) 60m	\$113.06	\$108.78	\$103.83	8.9%	3.9%
Average % change for pediatric outpatient services:					6.2%	1.3%

Obstetrical Services

- Fees did not change in 2008

Results

Obstetrical Services

		Obstetrical Reimbursement Rates				
Code	Procedure Description	2008	2006 Inflation-Adj.	2006 (unadj)	Change 08 vs. 06 (unadj)	Change 08 vs. 06 (adjusted)
57170	Diaphragm or cervical cap fitting with instructions	\$167.51	\$175.50	\$167.51	0.0%	-4.6%
57410	Pelvic Examination under anesthesia	\$312.49	\$327.40	\$312.49	0.0%	-4.6%
57420	Colposcopy of the entire vagina, with cervix if present	\$222.08	\$232.67	\$222.08	0.0%	-4.6%
57421	Colposcopy of the entire vagina, with cervix if present, with biopsy					
58300	Insertion of an IUD	\$273.78	\$286.84	\$273.78	0.0%	-4.6%
58301	Removal of an IUD	\$205.72	\$215.53	\$205.72	0.0%	-4.6%
59400	Routine obstetric care including antepartum care, vaginal delivery, and post partum care	\$2,972.89	\$3,114.70	\$2,972.89	0.0%	-4.6%
59510	Routine obstetric care including antepartum care, cesarean, and post partum care	\$3,373.59	\$3,534.51	\$3,373.59	0.0%	-4.6%
Average % change for obstetrical services					0.0%	-4.6%

Outpatient Visits, Acute Care

- Overall increases of 34%
- Used for billing specialty care for children by non-pediatricians

Results

Outpatient Visits, Acute Care

		Outpatient Visit Reimbursement Rates				
Code	Procedure Description	2008	2006 Inflation-Adj.	2006 (unadj)	Change 08 vs. 06 (unadj)	Change 08 vs. 06 (adjusted)
99201	Office or other outpatient visit for the evaluation and management of a new patient. 10m	\$22.65	\$18.72	\$17.87	26.7%	21.0%
99202	(same as above) 20m	\$39.27	\$31.16	\$29.74	32.0%	26.0%
99203	(same as above) 30m	\$57.97	\$49.00	\$46.77	23.9%	18.3%
99204	(same as above) 45m	\$87.45	\$65.23	\$62.26	40.5%	34.1%
99205	(same as above) 60m	\$109.43	\$87.49	\$83.51	31.0%	25.1%
99211	Office or other outpatient visit for the evaluation and management of an established patient. 10m	\$13.04	\$10.60	\$10.12	28.9%	23.0%
99212	(same as above) 20m	\$23.42	\$19.74	\$18.84	24.3%	18.7%
99213	(same as above) 30m	\$37.48	\$25.31	\$24.16	55.1%	48.1%
99214	(same as above) 45m	\$56.74	\$41.94	\$40.03	41.7%	35.3%
99215	(same as above) 60m	\$76.48	\$57.19	\$54.59	40.1%	33.7%
Average % change for non-pediatric outpatient visits:					34.4%	28.3%

Medicaid to Medicare Ratios

- Pediatric provider fees: 85% of Medicare, up from 82%
- Obstetrical provider fees: range between 112% and 289% of Medicare depending on type of service
- General medical provider fees: 57% of Medicare, up from 45%

Results

Medicaid to Medicare Ratios

	2008 HUSKY Fee Pediatric	2008 HUSKY Fee Obstetrical	2008 HUSKY Fee Med. Proc.	2008 Medicare Fee	HUSKY Pediatric fees as % of Medicare	HUSKY OB Fees as % of Medicare	HUSKY Med. Proc as a % of Medicare
Office or other outpatient visit for the evaluation and management of new patient. 10m (99201)	\$33.48	\$50.05	\$22.65	\$40.23	83.2%	124.4%	56.3%
(as above) 20m (99202)	\$58.05	\$89.06	\$39.27	\$68.59	84.6%	129.8%	57.3%
(as above) 30m (99203)	\$85.69	\$131.79	\$57.97	\$100.15	85.6%	131.6%	57.9%
(as above) 45m (99204)	\$129.27	\$187.80	\$87.45	\$151.43	85.4%	124.0%	57.7%
(as above) 60m (99205)	\$161.76	\$238.56	\$109.43	\$189.64	85.3%	125.8%	57.7%
Office or other outpatient visit for the evaluation and management of new estab. Pat. 10m (99211)	\$19.27	\$30.00	\$13.04	\$22.45	85.8%	133.6%	58.1%
(as above) 20m (99212)	\$34.62	\$52.26	\$23.42	\$41.58	83.3%	125.7%	56.3%
(as above) 30m (99213)	\$55.41	\$73.17	\$37.48	\$65.87	84.1%	111.1%	56.9%
(as above) 45m (99214)	\$83.87	\$114.02	\$56.74	\$98.80	84.9%	115.4%	57.4%
(as above) 60m (99215)	\$113.06	\$166.19	\$76.48	\$133.05	85.0%	124.9%	57.5%
Average % change:					84.7%	124.6%	57.3%

Raising Medicaid rates

- In 1991, a federal advisory commission recommended to Congress that Medicaid reimbursement equal Medicare fees
- To date, there is no plan or mechanism for additional rate increases with the goal of Medicare rate parity
- Effective July 1st, reimbursement in the HUSKY program will be contractually no less than in the Medicaid FFS fee schedule
 - Establishes a floor for reimbursement
 - Enhances transparency

Conclusion

- \$27 million appropriated for physician fee increases
- General medical procedures increased to 57% of Medicare, up from 45%
- Pediatric fees increased, decreased, and stayed the same depending on the service
- Obstetric fees did not change