



**Date:** October 24, 2013

**To:** Billing services, hospitals and ambulatory surgical centers

**From:** Don Ross, Manager  
Medicaid Policy and Planning Section, DMAP

**Subject:** Place of service to determine fee-for-service RVU-based payments starting January 1, 2014

The Division of Medical Assistance Programs (DMAP) claim processing system is now able to apply Facility and Non-Facility Relative Value Unit (RVU) weights based on the claim's Place of Service (POS).

- We plan to process most claims for RVU-based procedures according to POS starting January 1, 2014.
- This change will affect RVU-based claims billed in the professional claim (CMS-1500 or 837P) format with dates of service on or after January 1, 2014.
- We will update [Oregon Administrative Rule 410-120-1340 – Payment](#) to reflect this change.

We are writing you this letter to explain how this change will affect you, and give you time to prepare for this change.

### How this change affects you

Once we begin processing RVU-based professional claims according to POS:

- Professional services performed in a Facility will be paid at a lower rate (see examples below, based on 2013 fee schedule).
- Professional services performed in a Non-Facility setting will stay the same rate.

	<b>69210</b>	<b>16000</b>
<b>Place of Service</b>	<b>REMOVE IMPACTED EAR WAX</b>	<b>INITIAL TREATMENT OF BURN(S)</b>
Non-Facility	\$38.38	\$50.27
Facility*	\$23.57	\$33.23

\* Examples of Facility POS codes include Inpatient Hospital (21), Outpatient Hospital (22) and Ambulatory Surgical Center (24).

### Why is this happening?

Oregon's Medicaid State Plan is approved to reimburse RVU-based services according to federal RVU standards, which distinguish between Facility and Non-Facility rates based on POS. Until now, our system was unable to apply RVU weights according to POS.

Since 2009, DMAP has applied Facility and Non-Facility RVU weights to professional claims using procedure code, not POS. Because few RVU-based procedures are performed only in a Facility setting, DMAP paid most RVU-based procedures at the Non-Facility rate by default. As a result, professional services performed in a Facility were paid at the higher Non-Facility rate for most RVU-based claims.

### **What should you do?**

No action is required on your part. To review and comment on proposed rules when they become available, please sign up to receive [DMAP Notices of Proposed Rulemaking](#).

### **Questions?**

If you have any questions about this announcement, contact the Provider Services Unit at [dmap.providerservices@state.or.us](mailto:dmap.providerservices@state.or.us) or call 1-800-336-6016, Monday through Thursday, 8:30 a.m. to 4:00 p.m. and Friday 10 a.m. to 4:00 p.m. (phone lines closed 11:30 a.m. to 12:30 p.m. daily).

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.

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