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# Oregon Health Plan

## **Increased Primary Care Reimbursement ACA Section 1202**



Division of Medical Assistance Programs

February 2013

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# Topics

- Affordable Care Act (ACA) reimbursement requirement
- Fee for service rate increase
- Eligible services
- Eligible providers and provider attestation
- Plan responsibilities, Actuarial issues
- Resources and staying informed

Section 1202 – Payments to Primary Care Physicians

# **AFFORDABLE CARE ACT**

# Reimbursement requirement

## Federal Affordable Care Act, Section 1202:

- Medicaid must reimburse certain primary care practitioners at higher rates for certain evaluation and management (E/M) and vaccine codes
- Medicaid must increase their administration fee for Vaccines for Children (VFC) immunizations
- Effective January 1, 2013
- Applies for calendar years 2013 and 2014

\* This requirement does not change DMAP's existing FFS reimbursement for primary care providers who do not qualify for the ACA enhanced rate

# Fee-for-service rate increase

For providers who qualify for the increase:

- DMAP will use Medicare's 2009 factor of \$36.0666 multiplied by the 2013 Relative Value Unit (RVU) weights for both
  - E/M rates and
  - Adult vaccine administration rates
- The rate will also incorporate aggregated Geographic Pricing Cost Indices (GPCI's)
- VFC immunization administration fees will be \$21.96

# Eligible services

CMS has established the following services for the increased rate:

- Current Procedural Terminology (CPT) E/M codes 99201 through 99499 (payable to ACA qualified primary care providers)
- Adult vaccine administration codes 90460, 90461, 90471, 90472, 90473 and 90474, or their successors (payable to ACA qualified primary care providers)
- VFC administration: product codes billed with SL or 26 modifier (payable to all VFC providers)

\* DMAP will only pay codes open for payment

# PROVIDER ELIGIBILITY AND ATTESTATION

# Eligible providers

Providers potentially eligible for the increased reimbursement:

- Physicians with a specialty designation of family medicine, general internal medicine, or pediatric medicine;
- Specialists and subspecialists within those designations\*
- Non-physician practitioners (e.g., physician assistants and nurse practitioners) working under the direct supervision of a qualifying physician

\* As recognized by American Board of Medical Specialties (ABMS), American Osteopathic Association (AOA) or American Board of Physician Specialties (ABPS)

## Qualifying for primary care provider increase

All physicians must self-attest that they are practicing in a covered specialty or sub-specialty, and that:

- They are Board-certified in an eligible specialty or subspecialty, or
- 60% of their codes billed in Medicaid claims for the prior year\* were for the primary care codes (E/M and vaccine administration)

Physician assistants and nurse practitioners must self-attest that they are under the direct supervision of a qualifying physician as described above

\*Providers who have billed Medicaid less than a year may attest regarding claims for the prior month

## Determining eligible providers- some details

Only physicians who **practice** family medicine, general internal medicine or pediatric medicine or any subspecialty within these specialties are eligible; examples:

- If a physician is Board-certified in a different specialty, but **practices** one of the qualifying specialties and meets the 60% requirement, the provider is eligible
- If the physician is Board-certified in a different specialty, but **does not practice** in one of the qualifying specialties and meets the 60% requirement, the provider is not eligible

# Attestation process

- DMAP has developed an attestation form\* for providers who bill DMAP and would like to receive the increased fee-for-service rate
  - To be eligible for increased payment retroactive to Jan. 1, providers need to submit their attestation by Mar. 31
- Plans need to develop their own attestation process for providers on their panels who do not bill DMAP
- For providers who bill both plans and DMAP, we plan to share attestation information in the weekly provider files already sent to plans

\* <https://survey.emp.state.or.us/cgi-bin/qwebcorporate.dll?idx=PBUQJ2>

# PLAN RESPONSIBILITIES

## Plan responsibilities

- Plans must develop an attestation process for providers who do not bill DMAP
- Plans are required to reimburse their panel providers according to this rule
- Plans will develop their own process to determine appropriate primary care payment for their provider panels (DMAP will have compliance oversight)
- We are checking with CMS on whether the rule affects plan reimbursement of:
  - Federally Qualified Health Centers (FQHCs),
  - Rural Health Clinics (RHCs) and
  - Tribal health centers

## Plan responsibilities (continued)

We have also asked CMS for guidance on how to comply with this provision in situations where sub-capitated primary care agreements exist between MCOs and their network providers

- We do not yet have this guidance
- We will share it as soon as we have it
- Discussions with CMS and other state Medicaid agencies indicate MCOs will likely develop and propose a methodology for calculating an actuarially sound capitation rate based on 100% of current Medicare, costs/expenditures, and utilization data
- If final guidance from CMS is consistent with those discussions, MCOs would propose their methodology and DMAP would likely have to approve

# State Capitation to Health Plans

## CMS clarification:

- The ACA requires the state to use the 2009 rate assumptions as the base in the PMPM calculation to account for the increase in Primary Care rates to providers
- The state is required to submit our proposed methodology for prior approval from CMS

## Capitation to Health Plans (continued)

### January 2009 Rate Assumptions

- Over 100% of the Medicare Physician Fee Schedule
- 2006 Conversion Factor of \$37.90
- 2009 Conversion Factor of \$36.06
- 2009 Conversion Factor trended at \$39.87 (used in the rates)

# Capitation to Health Plans (continued)

## Medicare Physician Fee Schedule

- Medicare Conversion Factor has not changed significantly in the past few years
- Relative Value Units (RVU) for Primary Care have had significant changes

## Capitation to Health Plans (continued)

Oregon Health Authority Actuarial Services

Proposed Methodology:

- ASU's proposed methodology will include the calculated differences in RVUs
- The methodology will also factor in changes for the Fee For Service population
- The proposed methodology may also take into account differences in geographic indices

## Capitation to Health Plans (continued)

- The OHA will include an increase in the July 2013 rate adjustment in managed care contracts
- It is not clear, based on current CMS guidance, if the rate adjustment will be retroactive to January 2013
- CMS has not historically allowed retroactive rate adjustments to managed care plans, but may make an exception for compliance with this ACA provision

## Capitation to Health Plans (continued)

- CMS has contracted Deloitte to serve as the Technical Assistance contractor to states for implementation of this Final Rule
- Final rate methodologies from states are due to CMS in March, as is the State Plan Amendment and MCO contract amendments
- Final rates are due May 17, 2013

Tools to stay informed

# RESOURCES

# Webinar information

- An FAQ based on questions and answers from the webinar will be published on our ACA primary care website:  
[http://www.oregon.gov/oha/healthplan/pages/tools\\_prov\\_pcp-rates.aspx](http://www.oregon.gov/oha/healthplan/pages/tools_prov_pcp-rates.aspx)
- A recording of the webinar will be posted on the OHA YouTube channel:  
[http://www.youtube.com/playlist?list=PL7mua\\_4kMbMqaLy0gARbaM-WWn7P-Z7-S](http://www.youtube.com/playlist?list=PL7mua_4kMbMqaLy0gARbaM-WWn7P-Z7-S)

# Sources and links

## Provider communications

Dec. 28, 2012 [Primary care provider definition and rate change effective January 1, 2013](#)

Jan. 26, 2013 [Clarification about how new CMS definition of primary care affects Oregon primary care providers](#) – This supersedes the Dec. 28 announcement

## Plan communication

Jan. 4, 2013 [Changes to primary care provider definition and primary care rates effective Jan. 1, 2013](#)

## Federal Register/ Vol. 77, No. 215

<http://www.gpo.gov/fdsys/pkg/FR-2012-11-06/pdf/2012-26507.pdf>

## Existing FFS reimbursement for primary care providers

[http://www.oregon.gov/oha/healthplan/data\\_pubs/feeschedule/2011/primary-care.pdf](http://www.oregon.gov/oha/healthplan/data_pubs/feeschedule/2011/primary-care.pdf)

## Web page on ACA Primary Care Reimbursement

[http://www.oregon.gov/oha/healthplan/pages/tools\\_prov/pcp-rates.aspx](http://www.oregon.gov/oha/healthplan/pages/tools_prov/pcp-rates.aspx)

# Contacts

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# QUESTIONS