

**Labor Management Advisory Council
Employment Relations Division**

Fee Schedule Proposals

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**Frank Neuhauser,
University of California,
Berkeley**

Overview

- **Goals**
- **Current schedules**
- **Proposals**
 - **Non-facility**
 - **Hospital Inpatient**

Goals

- **Access for workers**
- **Reasonable cost for employers**
- **Fair reimbursement for providers**

Current Schedules

- **High reimbursements**
 - **Non-Facility = 198% of Medicare**
 - **Inpatient = 202% of Medicare**
- **Above targets set when developing schedules**
- **MT high among states**
- **Contributing to high premiums**

Proposals—Non-facility

- **Introduces Medicare's adjustments for wage-level differentials across different procedures**
- **Maintains current higher reimbursement for anesthesiologists**
- **Combined anesthesia and other procedures set to 150% of Medicare**
- **Conversion Factors**
 - **Anesthesia -- \$50.114**
 - **All other procedures -- \$53.60**

Proposals—Inpatient

- **Accounts for Medicare lower average conversion factor for Montana**
- **Maintains current outlier provision**
- **Does not vary reimbursement by metro area**
- **Adopts more equitable payment for implantable hardware**

Proposals—Inpatient

- **Adopts more equitable payment for implantable hardware**
 - Medicare includes hardware in payment
 - Hardware = 5% to 71% of payment
 - For high cost DRGs, current MT schedule allows double billing
 - For low cost DRGs, providers cannot recover for many exceptional costs

Proposals—Inpatient

MS-DRG	Inclusive of implant	If Implant paid separately
455	38,827.38	23,358.82
458	37,875.20	22,274.49
483	17,809.06	13,119.14
664	7,884.29	6,446.86

Inpatient

Final conversion factor

- Medicare national average \$5,223
- Medicare Montana average \$4,732
- MT implant rules add approx. +7.6%
- Proposed MT conversion factor at 150% of Medicare
 - \$6,559 (current \$7,758)
- Comparison: private insurance in MT pays 130% of Medicare