

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201504 JANUARY 27, 2015

IHCP announces physician reimbursement rate increases with HIP 2.0 implementation

As part of the HIP 2.0 implementation, the Indiana Health Coverage Programs (IHCP) is pleased to announce a general increase in reimbursement rates for providers billing physician services paid on a fee-for-service basis. Effective for dates of service (DOS) on or after February 1, 2015, rates for most physician services will be adjusted, in aggregate, to 75% of the 2014 Medicare Physician Fee Schedule.

For most services, the IHCP will use the following in calculating physician rates:

- 2014 Medicare Physician Fee Schedule Relative Value Units (RVUs)
- 2014 Medicare Indiana Geographic Practice Cost Indexes (GPCIs)
 - 2014 Medicare Practice Expense GPCI – 0.922
 - 2014 Medicare Work GPCI – 1.000
 - 2014 Malpractice Expense GPCI – 0.615
- 75% of the 2014 Medicare Conversion Factor of 35.8228



While rates for physician services will increase in aggregate, providers should note that rates for some services may remain the same or decrease as a result of this update, because they are currently reimbursed at equal to or greater than 75% of the Medicare rate.

The following updates are exceptions to the rate-setting methodology described above:

- Nondelivery maternity services and prenatal services will increase, in aggregate, to 100% of the 2014 Medicare rate.
- Reimbursement rate methodology for maternity delivery services will be updated as follows:
 - The reimbursement rates for Current Procedural Terminology (CPT)^{®1} code 59612 – *Vaginal delivery only, after previous cesarean delivery (with or without episiotomy and/or forceps)* and CPT code 59620 – *Cesarean delivery only, following attempted vaginal delivery after previous cesarean delivery* will be changed to 100% of the 2014 Medicare rate.
 - The rates for CPT code 59409 – *Vaginal delivery only (with or without episiotomy and/or forceps)* and CPT code 59514 – *Cesarean delivery only* will be a blended rate of the two services; both services will reimburse a maximum amount of \$818.87.

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- Behavioral health services will increase, in aggregate, to 80% of the 2014 Medicare rate.
- Anesthesia services will increase to approximately 75% of the 2014 Medicare rate. The anesthesia base units will be updated to the 2014 Medicare base units, and the anesthesia conversion factor will be updated to 75% of the 2014 Medicare anesthesia conversion factor of \$21.68. Please note that IHCP reimbursement will continue to reflect age and physical status units where applicable.
- Consultation codes will no longer be covered by the IHCP effective for DOS on or after February 1, 2015. This includes CPT codes 99241-99245 and 99251-99255.
- The rates for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) visits will increase to \$87 for established patients (now \$62) and \$100 for new patients (now \$75). The rate will be applied based on the reported diagnosis as it is today. See [Chapter 8: Billing Instructions](#) of the *IHCP Provider Manual* for instructions for reporting EPSDT services.

All other reimbursement methodologies and medical policies remain unchanged. Nonphysician practitioners' rates whose reimbursement methodologies are based on a percentage of physician rates will be affected. Reimbursement for the technical component of radiology services when performed in a hospital setting remain equal to the technical rate of the radiology service when performed in the physician office setting. Reimbursement rates for dental, Medicaid Rehabilitation Option (MRO), waiver, durable medical equipment and medical supplies, clinics, physician-administered drugs, and clinical lab services remain unchanged.

The online [Fee Schedule](#) at indianamedicaid.com will be updated to reflect the new rates as of February 1, 2015.

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