

ADVISORY NO. 356
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TOPIC: MEDICAL FEE GUIDELINES

Effective August 1, 2003, the TWCC will enforce the *Medical Fee Guideline* (TWCC Rule 134.202, original effective date May 16, 2002) as a basis for determining medical fee reimbursement rates. This rule requires pricing of most services at Medicare rate plus 25%. As such, no new "Fee Guideline" will be published by the TWCC. The TWCC recommends the Rules be used, and where appropriate, in conjunction with the Medicare Fee Schedule for bill review and payment. We have analyzed the TWCC's position, available resources and the Medicare Fee Schedule. This FOL advisory is a summary of our findings.

The transition to Medicare based reimbursement may be difficult. However, there are a number of online resources that can assist carriers in this transition. There are also a number of software packages available for medical bill re-pricing in the Medicare reimbursement environment. It is likely the TWCC staff is going to be using a software suite called "Encoder Pro" to resolve medical payment disputes. At this time, FOL is not endorsing the use of this or any other software package. Carriers should be aware that there are several software packages that provide insight into the Medicare reimbursement process. Each package must be evaluated by your re-pricing agents for its usefulness under your circumstances.

We have researched such sources as the Department of Health and Human Services, the Center for Medicare & Medicaid Services, the National Technical Information Service, the Federal Register, Trailblazer Health, Palmetto GBA, Administar and other organizations. We have uncovered some resources with these agencies and companies that will be of value to you. Please review the following for further, detailed information about the transition to a Medicare based fee schedule.

The management of information regarding Medicare is done by the Center for Medicare & Medicaid Services. Their website is www.cms.gov. CMS (the U.S. government) contracts with different companies to assist them in disseminating and tracking information about the Medicare system. The contractors operate as information providers. There are several contractors of primary interest that will provide information to Medicare participants for free. The first is Trailblazer Health. This contractor tracks everything related to Medicare fees, services, geographic regions, valuations, etc. Trailblazer does not specialize in durable medical equipment (DME.) DME specialization is done by a second contractor, Palmetto GBA. Palmetto GBA is also referred to as a "DMERC" within the healthcare industry. A third contractor, Administar, deals with Medicare coding information.

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There are a variety of government resources as well. The Department of Health and Human Services is one (www.hhs.gov) Another government resource that sells information is the National Technical Information Service. NTIS collects information about many government agencies. It also collects and sells information necessary for working with US government regulations, including Medicare. Lastly, the Federal Register provides more insight into the development and adoption of the Medicare Fee Schedule.

Following this is a summary of each agency or company listed above with available hyperlinks:

Center for Medicare & Medicaid Services (CMS.gov)

CMS has many different resources at their website. This agency regulates information about Medicare. Information from CMS should contain accurate data.

<http://www.cms.gov/coverage/default2.asp>

Medicare coverage home page. This page is the homepage for coverage and fee information in the Medicare system. This should be your starting point for information about Medicare. One can find and access Coverage Issues or Medical Policies from this link.

<http://www.cms.gov/manuals/cmsindex.asp>

CMS manual system. A general look at the Medicare system and information manuals that describe Medicare in detail. A good general resource for learning about Medicare. Not all manuals are available electronically at this link.

<http://www.cms.gov/manuals>

A general link to manuals about Medicare, including program manuals. Users can access program instructions here. Program instructions are day-to-day operating instructions, policies and procedures based on statutes and regulations, guidelines, models, and directives. They are used by CMS program components, contractors, and State survey agencies to administer CMS programs. For many others, they are a good source of technical and professional information about the Medicare and Medicaid programs. Updates to coverage issues (specific areas of practice/treatments, etc.) can be found at the "program transmittal" and "program memoranda" hyperlinks.

<http://www.cms.gov/manuals/cmstoc.asp>

Paper based manuals. Manuals of interest may include numbers 6 (see next item below,) 9, 11, 14, and 15.

http://www.cms.gov/manuals/06_cim/ci00.asp

Coverage issues manual/national coverage manual. More specific than the program manuals. This page is updated regularly. It includes some DME information. Updates to coverage issues can be found at the "program transmittal" and "program memoranda" hyperlinks at program manuals page (see prior hyperlink). Some insurance carriers may want to make a paper copy of some of this manual. The manual includes information about issues like biofeedback and other familiar topics. DO NOT USE THE PDF VERSION of this manual. IT IS NOT UPDATED REGULARLY. USE THE "VIEW AND PRINT" OPTION. (or zip option). To directly access the updated version, use this link: <http://www.cms.gov/manuals/cmstoc.asp> Publication 6 is the national coverage issues. The updated version will be "view and print" or "download."

<http://www.cms.gov/ncd/ncdindexlist.asp>

Alphabetical list of medical treatment, procedures, equipment and other medical information that may be administered to a workers' comp patient. This is a more focused look at the things that claims offices may encounter in your medical disputes. When users access one of these medical treatments on line, the user will have to "accept" the conditions and note the disclaimer has been read. After doing so, it will take the user to a description of the treatment, etc. An example of how this works is "TENS." This is listed as "Assessing Patient's Suitability for Electrical Nerve Stimulation Therapy."

<http://www.cms.gov/ncd/labindexlist.asp#index>

Lab ground rules and general lab information.

<http://www.cms.gov/providerupdate>

Provider updates. Carriers or claims offices can join a listserv to get quarterly updates for providers.

Federal Register:

There are five links below that takes you to the Federal Register for 12/31/02. This edition of the Federal Register provides a comprehensive look at the development of the reimbursement methodology and plan for health care services. There is a large segment of this document that reviews individual CPT codes, relative value units and conversion factors. Because of the length of the document it is broken up into 5 segments of approximately 50 pages each. The CPT code information is located towards the end of the document in addendum "B." Generally speaking, it appears to be a good resource for understanding out how the Medicare strategy comes together. It also includes a Health and Human Services commentary section that is much like a Preamble to a TWCC rule. This is a very comprehensive document.

http://cms.hhs.gov/providerupdate/regs/cms1204fc_1.pdf
http://cms.hhs.gov/providerupdate/regs/cms1204fc_2.pdf
http://cms.hhs.gov/providerupdate/regs/cms1204fc_3.pdf
http://cms.hhs.gov/providerupdate/regs/cms1204fc_4.pdf
http://cms.hhs.gov/providerupdate/regs/cms1204fc_5.pdf

<http://cms.hhs.gov/providers/pufdownload/default.asp#pfspayment>

Physician fee schedule information. This link will provide your office with access to information on the physician reimbursement fee schedule.

<http://cms.hhs.gov/regulations/pfs/default.asp>

More physician fee schedule information.

Trailblazer Health

One must register with this website but most (if not all) information is free. Individuals can sign up and get a profile at their server.

Trailblazer tracks everything related to Medicare fees, services, geographic regions, valuation etc. DME related information is limited. Trailblazer is a nationally recognized "carrier" for the Medicare system. They are under contract with the federal government to disseminate information about Medicare. Trailblazer must assist in education and training, compliance issues, set up medical review policies, and act as a general information conduit for Medicare issues. They are the liaison between the provider, the beneficiary and CMS. The information is divided into geographic regions.

<http://www.trailblazerhealth.com/partb/tx/index.asp>

Texas specific information from Trailblazer. Trailblazer also works with Local Medical Review Policies (LMRP's.) There are unique, Texas related LMRP's listed at this site. There is also a website that has all the LMRP's listed (www.lmrp.net).

<http://www.trailblazerhealth.com/lmrp.asp?lmrptype=tx>

Local Medical Review Policies (LMRP.) Part of general and specific payment policies. Alphabetically listed payment policies for specific treatments. Trailblazer's information is more detailed than CMS. This link will take users to an alphabetical search. It explains coding, when treatment is necessary, who can perform it and when. It includes policies regarding maintenance therapy, general guidelines on modalities, how to code them, and different code levels. It contains an abundance of good information.

<http://www.trailblazerhealth.com/draftindex.asp?lmrptype=tx>

Draft LMRP policies. This link allows users to submit recommendations, etc. for LMRP information.

<http://www.trailblazerhealth.com/partb/tx/education.asp>

Training and education in Medicare issues. Very good resource information.

<http://www.trailblazerhealth.com/partb/tx/books.asp>

Training manuals in .pdf format. They are also available in cd format. Specific to Texas.

<http://www.trailblazerhealth.com/tools/feeMemo.asp>

Medicare fee schedule memo. After reading the memo, users should go to this link: <http://www.trailblazerhealth.com/tools/fee.asp> This is an interactive link that allows users to put in cpt code information, geographic region, and modifiers. After filling that in, one can see how the procedure should be billed. A good example is cpt code 63030. When that is entered the user will get a lot of information related to this entire procedure. Once the user receives general information about the cpt code, more specific information about that cpt code (who can assist, etc.) can be retrieved by using associated hyperlinks related to the cpt code/treatment. It will also allow users to get comprehensive information on all cpt codes for a particular geographic region. This is a very good link.

<http://www.trailblazerhealth.com/tools/feeDownload/MF31TX03.pdf>

An example of a downloaded .pdf for an entire locality fee schedule (Travis county is the example at this link.)

<http://www.trailblazerhealth.com/pub/partb/all/2003/03-033.pdf>

Physical medicine newsletter from March, 2003. Pages 66-76 lays out a good deal of information for physical medicine.

<http://www.trailblazerhealth.com/partb/tx/index.asp>

Lower right hand links to newsletters. Claims offices and re-pricing units should keep up with these. They will work in concert with the periodic CMS updates.

Palmetto GBA

<http://www.pgba.com/>

Regional contractor that provides information on durable medical equipment. Palmetto GBA is the contractor for Texas. Some of the work they do is the same as Trailblazers. Texas is region C.

[http://www.pgba.com/palmetto/Providers.nsf/\\$\\$ViewTemplate+for+Docs?ReadForm&Providers/DMERC/ManualsManuals](http://www.pgba.com/palmetto/Providers.nsf/$$ViewTemplate+for+Docs?ReadForm&Providers/DMERC/ManualsManuals) for DME. This is a large document that includes 72 chapters. The first ten chapters concern DME. Part II is about medical policies. Chapters 18-71 are specific Medicare medical review policies. Policies involving workers comp (TENS, stimulators, etc.) are worth reviewing, printing, etc. Well written, easy to read and easy to understand.

National Technical Information Service

www.ntis.gov

You can purchase Medicare manuals and software from this agency.

<http://www.ntis.gov/products/families/health.asp?loc=4-3-3>

General information. Medicare information is in the upper right hand corner of this site.

<http://www.ntis.gov/products/families/cci/index.asp?loc=4-3-3>

National Correct Coding Initiative information. Medicare related software can be purchased here.

<http://www.ntis.gov/products/families/cci/ccedit.asp#>

More coding search software.

We hope the above will be more than enough information and sources to make the transition to the new *Medical Fee Guideline* a smooth one. As always, please call us if we can be of any help in this new process. Please direct inquiries to Steve Tipton at (512) 435-2162, smt1@fol.com or Frank Clary at (512) 435-2222, fjc@fol.com.