

**DPHHS Q&A: MAR 37-944 and 37-949**

08/09/2021

**Interim Committee Question:**

“An explanation of how the physician rates are calculated, detailing how the three elements listed in 53-6-125 affect the overall calculation. When all is said and done, will Montana health care providers end up with a net 6% increase, as required by Montana Code.”

**DPHHS Response:**

Under the amended proposed rule physician rates are forecasted to increase by a weighted average of 12.09%. The pages 2-4 detail how the three elements listed in 53-6-125 effect the overall calculation.

## Montana Medicaid Physician Service Reimbursement Overview

Most physician services covered by Montana Medicaid are reimbursed using a Resource Based Relative Value System (RBRVS). ARM 37.85.212 (3) defines this system as having three factors to determine the maximum reimbursable fee per service: Conversion Factor, Relative Value Unit, and Rate Variables.

### Conversion Factor

53-6-125 MCA requires the department to increase the physician conversion factor, at a minimum, by the consumer price index for medical care services for the previous year.

### Relative Value Units

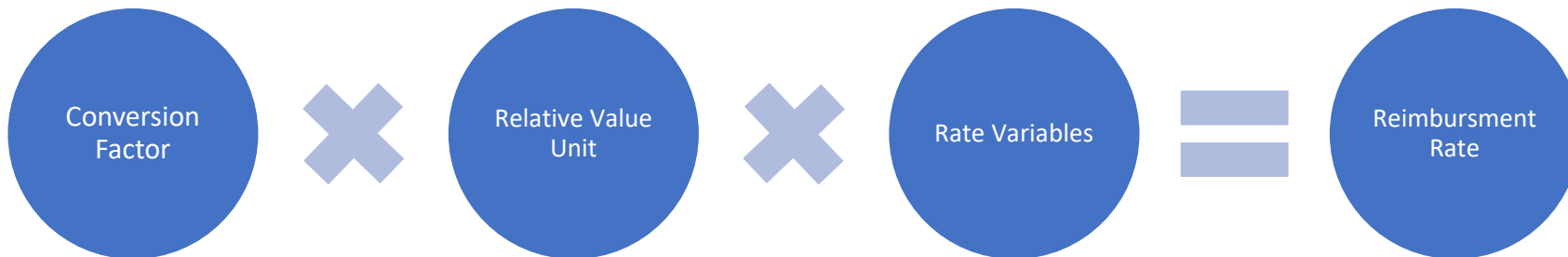
CMS calculates and publishes nationally developed annual Relative Value Units that identify the resource cost needed to provide the services as compared to other services.

### Rate Variables

Rate Variable means a multiplier in the rate equation, such as a Policy Adjustor, a Provider Rate of Reimbursement, or Pricing Modifier, that changes the RBRVS rate for a procedure or service.

### The Reimbursement Rate Formula

The Montana Medicaid RBRVS maximum reimbursement rate for each individual service is determined by multiplying the Conversion Factor by the CMS Relative Value Unit (RVU) and any Rate Variables (applicable Policy Adjustor and/or Provider Rate of Reimbursement).

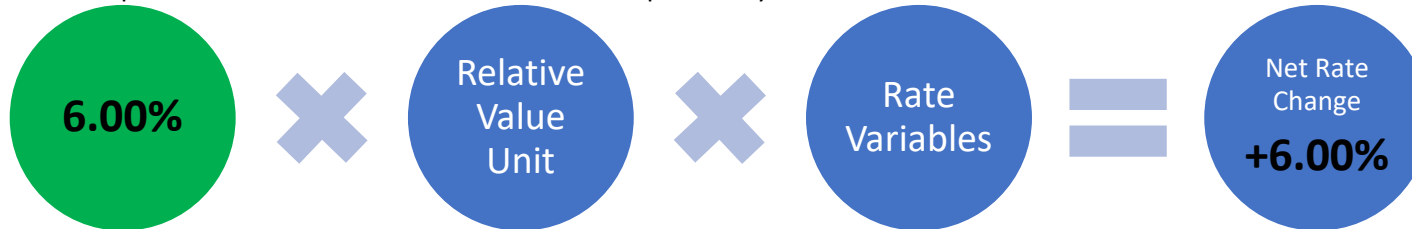


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## The Physician July 1, 2021 Proposed Rate Formula as Originally Proposed

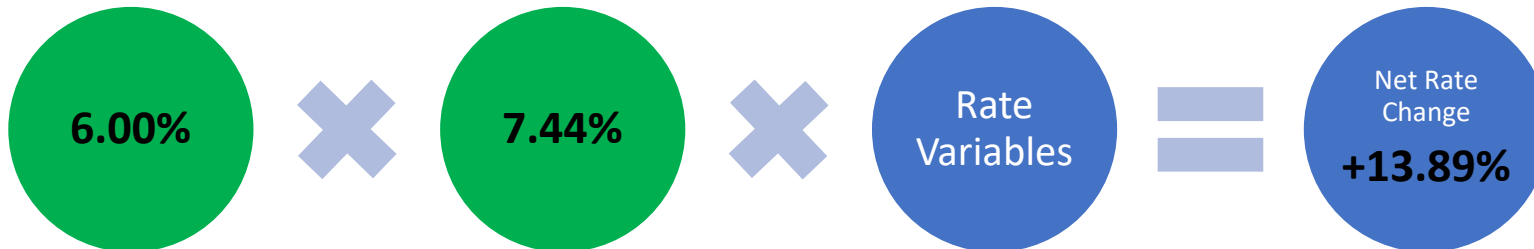
### Step 1: Conversion Factor:

The consumer price index for medical care services for the previous year is an increase of 6.00%.



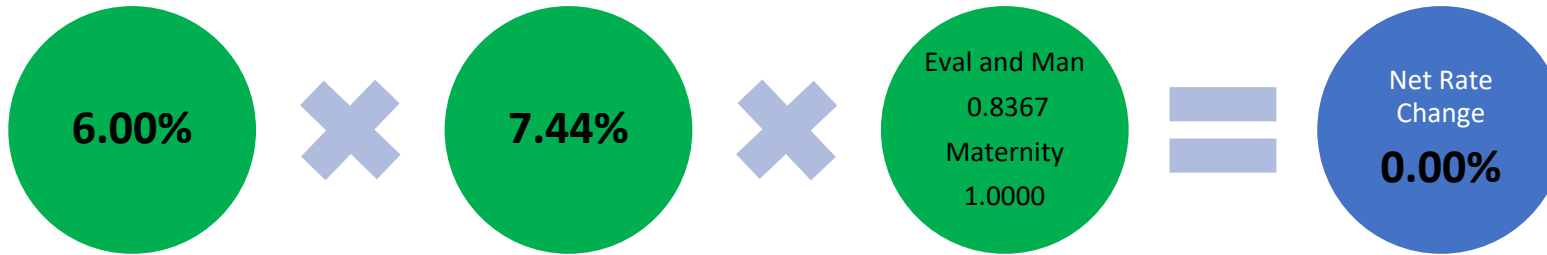
### Step 2: The Relative Value Units

The estimated SFY 2022 impact of CMS RVU changes to the Montana Medicaid case mix is an increase of 7.44%.



### Step 3: Rate Variables

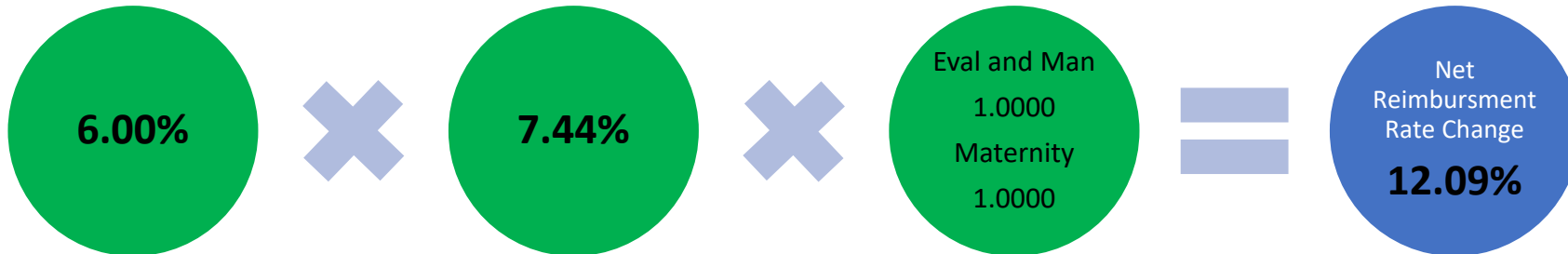
The original rule was filed utilizing Policy Adjusters (Rate Variables) in the RBRVS methodology to balance the authorized budget and follow written legislative intent.



### The Physician July 1, 2021 Proposed Rate Formula as Amended:

#### Amended Rate Variables

The amended rule notice was filed removing the proposed Evaluation and Management Policy Adjuster while maintaining the Maternity Policy Adjuster change from 1.12 to 1.00.



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**Interim Committee Question:**

“Specific information on how the rates for the top-provided physician billing codes will change under the rule (percentage increases).”

**DPHHS Response:**

Pages 6-7 provide an analysis of the proposed physician rate changes for the top 25 billed physician codes. The changes to the CMS RVUs and the physician conversion factor for that subset of codes results in a weighted average increase of approximately 18.22%. The changes to the CMS RVUs and the physician conversion factor for all codes results in a weighted average increase of approximately 12.09%.

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Top 25 Physician Codes Billed to Montana Medicaid – Detail

Top 25 Physician Billed Procedures		Office Rates		Facility Rates		Estimated	
Code	Description	SFY 2021	SFY 2022	SFY 2021	SFY 2022	SFY 2021	SFY 2022
99213	OFFICE O/P EST LOW 20-29 MIN	84.31	110.90	58.24	81.58	6,671,144	8,784,732
99214	OFFICE O/P EST MOD 30-39 MIN	122.20	157.34	89.41	120.49	5,058,811	6,522,481
59400	OBSTETRICAL CARE	2,528.72	2,933.57	2,528.72	2,933.57	2,642,511	3,065,579
99391	PER PM REEVAL EST PAT INFANT	113.12	120.91	80.72	84.05	1,654,693	1,768,646
99392	PREV VISIT EST AGE 1-4	120.23	129.28	87.83	92.43	1,613,375	1,734,875
99284	EMERGENCY DEPT VISIT	136.78	148.42	136.78	148.42	1,620,065	1,757,919
99203	OFFICE O/P NEW LOW 30-44 MIN	121.30	136.40	86.13	101.22	1,597,580	1,798,096
99204	OFFICE O/P NEW MOD 45-59 MIN	185.58	203.75	147.25	164.80	1,374,469	1,510,081
99283	EMERGENCY DEPT VISIT	74.28	87.36	74.28	87.36	1,285,395	1,511,794
99285	EMERGENCY DEPT VISIT	198.81	216.52	198.81	216.52	1,276,388	1,390,056
99393	PREV VISIT EST AGE 5-11	119.83	128.86	87.83	92.43	1,102,351	1,185,427
99469	NEONATE CRIT CARE SUBSQ	450.61	474.42	450.61	474.42	948,988	999,121
59510	CESAREAN DELIVERY	2,813.15	3,239.17	2,813.15	3,239.17	863,638	994,424
99215	OFFICE O/P EST HI 40-54 MIN	164.20	219.66	126.27	177.36	954,383	1,281,015
99233	SUBSEQUENT HOSPITAL CARE	117.74	123.84	117.74	123.84	947,688	996,781
99232	SUBSEQUENT HOSPITAL CARE	81.67	86.19	81.67	86.19	897,931	947,648
99291	CRITICAL CARE FIRST HOUR	316.55	339.27	252.94	264.72	846,094	885,500
99394	PREV VISIT EST AGE 12-17	131.96	141.01	99.57	104.57	830,710	887,658
99472	PED CRITICAL CARE SUBSQ	455.71	483.63	455.71	483.63	815,262	865,214
99480	IC INF PBW 2501-5000 G SUBSQ	135.36	142.69	135.36	142.69	622,256	655,924
99479	IC LBW INF 1500-2500 G SUBSQ	141.01	148.51	141.01	148.51	565,596	595,659
99223	INITIAL HOSPITAL CARE	228.96	240.14	228.96	240.14	634,907	665,908
99202	OFFICE/OUTPATIENT VISIT NEW	85.62	88.70	57.57	59.80	572,245	592,875
99212	OFFICE O/P EST SF 10-19 MIN	51.17	68.22	29.43	43.51	593,314	793,147
99205	OFFICE O/P NEW HI 60-74 MIN	234.49	269.00	192.22	223.76	488,203	560,726

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## Top 25 Physician Codes Billed to Montana Medicaid – Summary

Top 25 Physician Billed Procedures		Estimated		Weighted Average	
Code	Description	2021	2022	Rate Change	Weight
99213	OFFICE O/P EST LOW 20-29 MIN	6,671,144	8,784,732	31.7%	0.21
99214	OFFICE O/P EST MOD 30-39 MIN	5,058,811	6,522,481	28.9%	0.15
59400	OBSTETRICAL CARE	2,642,511	3,065,579	16.0%	0.07
99391	PER PM REEVAL EST PAT INFANT	1,654,693	1,768,646	6.9%	0.04
99392	PREV VISIT EST AGE 1-4	1,613,375	1,734,875	7.5%	0.04
99284	EMERGENCY DEPT VISIT	1,620,065	1,757,919	8.5%	0.04
99203	OFFICE O/P NEW LOW 30-44 MIN	1,597,580	1,798,096	12.6%	0.04
99204	OFFICE O/P NEW MOD 45-59 MIN	1,374,469	1,510,081	9.9%	0.04
99283	EMERGENCY DEPT VISIT	1,285,395	1,511,794	17.6%	0.04
99285	EMERGENCY DEPT VISIT	1,276,388	1,390,056	8.9%	0.03
99393	PREV VISIT EST AGE 5-11	1,102,351	1,185,427	7.5%	0.03
99469	NEONATE CRIT CARE SUBSQ	948,988	999,121	5.3%	0.02
59510	CESAREAN DELIVERY	863,638	994,424	15.1%	0.02
99215	OFFICE O/P EST HI 40-54 MIN	954,383	1,281,015	34.2%	0.03
99233	SUBSEQUENT HOSPITAL CARE	947,688	996,781	5.2%	0.02
99232	SUBSEQUENT HOSPITAL CARE	897,931	947,648	5.5%	0.02
99291	CRITICAL CARE FIRST HOUR	846,094	885,500	4.7%	0.02
99394	PREV VISIT EST AGE 12-17	830,710	887,658	6.9%	0.02
99472	PED CRITICAL CARE SUBSQ	815,262	865,214	6.1%	0.02
99480	IC INF PBW 2501-5000 G SUBSQ	622,256	655,924	5.4%	0.02
99479	IC LBW INF 1500-2500 G SUBSQ	565,596	595,659	5.3%	0.01
99223	INITIAL HOSPITAL CARE	634,907	665,908	4.9%	0.02



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99202	OFFICE/OUTPATIENT VISIT NEW	572,245	592,875	3.6%	0.01
99212	OFFICE O/P EST SF 10-19 MIN	593,314	793,147	33.7%	0.02
99205	OFFICE O/P NEW HI 60-74 MIN	488,203	560,726	14.9%	0.01

**Interim Committee Question:**

“With respect to reimbursement for COVID vaccinations, are Montana health providers receiving the reimbursement that the feds say they should be receiving, and if not, why not”.

**DPHHS Response:**

Montana Medicaid providers who bill COVID-19 vaccine administration to Medicaid are reimbursed the CMS rate of 40.00 per vaccine administration. More information can be found in the link below.

<https://www.cms.gov/covid-19-vaccines-and-mono-clonal-antibodies>.

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**Interim Committee Question:**

“A comparison of the actual rates for the maternity-related billing codes, to show how the proposed change to the policy adjuster will affect those rates.” (as requested by Rep. Caferro during the meeting)

**DPHHS Response:**

Pages 10-11 provide an analysis on the proposed maternity policy adjuster impact. The forecasted impact of this proposed rate change is a weighted average decrease of 1.64%.

**Interim Committee Question:**

“Does the net result of the Rule with respect to pregnancy reimbursement result in a 1% increase to providers, and if not, what is the net result and why does it not amount to 1%.”

**DPHHS Response:**

Maternity related services are provided by physicians and/or mid-level providers. These services were not considered eligible for the 1% increase due to the language included in the published [HB 2 Materials for the Department of Public Health and Human Services](#).

*“Adopted a restricted Medicaid provider rate increase, exempting hospitals and physicians, of 1.0% in FY 2022 and 2.0% in FY 2023 in the Health Resources Division and of 2.0% in FY 2022 and 4.0% in FY 2023 in the Developmental Services Division, Senior and Long-Term Care Division, and Addictive and Mental Disorders Division.”*

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Top 20 Maternity Codes Billed to Montana Medicaid - Detail

Top 20 Maternity Procedure Codes		Office Rates		Facility Rates		Estimated Total Payments	
Code	Description	SFY 2021	SFY 2022	SFY 2021	SFY 2022	SFY 2021	SFY 2022
59400	OBSTETRICAL CARE	2,832.17	2,933.57	2,832.17	2,933.57	2,959,613	3,065,579
99469	NEONATE CRIT CARE SUBSQ	504.68	474.42	504.68	474.42	1,062,866	999,121
59510	CESAREAN DELIVERY	3,150.73	3,239.17	3,150.73	3,239.17	967,274	994,424
99480	IC INF PBW 2501-5000 G SUBSQ	151.60	142.69	151.60	142.69	696,926	655,924
99479	IC LBW INF 1500-2500 G SUBSQ	157.93	148.51	157.93	148.51	633,467	595,659
59514	CESAREAN DELIVERY ONLY	1,234.48	1,116.06	1,234.48	1,116.06	608,597	550,218
59409	OBSTETRICAL CARE	1,089.51	986.57	1,089.51	986.57	440,162	398,573
76816	OB US FOLLOW-UP PER FETUS	141.69	139.42	141.69	139.42	439,955	432,895
99468	NEONATE CRIT CARE INITIAL	1,165.53	1,096.96	1,165.53	1,096.96	409,102	385,034
59410	OBSTETRICAL CARE	1,401.04	1,300.96	1,401.04	1,300.96	361,468	335,648
99460	INIT NB EM PER DAY HOSP	121.07	114.63	121.07	114.63	335,973	318,086
76816	OB US FOLLOW-UP PER FETUS	88.19	88.79	88.19	88.79	273,838	275,679
59426	ANTEPARTUM CARE ONLY	1,101.55	1,252.55	842.68	979.49	249,533	283,782
76811	OB US DETAILED SNGL FETUS	222.76	215.60	222.76	215.60	214,964	208,052
59515	CESAREAN DELIVERY	1,710.97	1,602.75	1,710.97	1,602.75	201,895	189,124
76819	FETAL BIOPHYS PROFIL W/O NST	108.95	105.91	108.95	105.91	190,547	185,244
76816	OB US FOLLOW-UP PER FETUS	53.50	50.63	53.50	50.63	166,117	157,215
76817	TRANSVAGINAL US OBSTETRIC	120.01	118.06	120.01	118.06	156,132	153,596

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## Top 20 Maternity Codes Billed to Montana Medicaid – Summary

Proc Code	Description	Est. SFY 2021	Est. SFY 2022	Rate Change	Weight
59400	OBSTETRICAL CARE	2,959,613	3,065,579	3.58%	23.983%
99469	NEONATE CRIT CARE SUBSQ	1,062,866	999,121	-6.00%	7.816%
59510	CESAREAN DELIVERY	967,274	994,424	2.81%	7.780%
99480	IC INF PBW 2501-5000 G SUBSQ	696,926	655,924	-5.88%	5.131%
99479	IC LBW INF 1500-2500 G SUBSQ	633,467	595,659	-5.97%	4.660%
59514	CESAREAN DELIVERY ONLY	608,597	550,218	-9.59%	4.305%
59409	OBSTETRICAL CARE	440,162	398,573	-9.45%	3.118%
76816	OB US FOLLOW-UP PER FETUS	439,955	432,895	-1.60%	3.387%
99468	NEONATE CRIT CARE INITIAL	409,102	385,034	-5.88%	3.012%
59410	OBSTETRICAL CARE	361,468	335,648	-7.14%	2.626%
99460	INIT NB EM PER DAY HOSP	335,973	318,086	-5.32%	2.488%
76816	OB US FOLLOW-UP PER FETUS	273,838	275,679	0.67%	2.157%
59426	ANTEPARTUM CARE ONLY	249,533	283,782	13.73%	2.220%
76811	OB US DETAILED SNGL FETUS	214,964	208,052	-3.22%	1.628%
59515	CESAREAN DELIVERY	201,895	189,124	-6.33%	1.480%
76819	FETAL BIOPHYS PROFIL W/O NST	190,547	185,244	-2.78%	1.449%
76816	OB US FOLLOW-UP PER FETUS	166,117	157,215	-5.36%	1.230%
76817	TRANSVAGINAL US OBSTETRIC	156,132	153,596	-1.62%	1.202%
	Total All Codes	13,031,560.80	12,782,339.20		
	Proposed Change		(249,221.60)		

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**Interim Committee Question:**

“An explanation of why the rate increases reflected in the new DD manual appear different from the 1% rate increase specified in the proposed administrative rule and how do the proposed rate increases in the manual and the increases in the proposed Rule reflect the legislative intent and different pots of money that were included in HB 2 for DD provider rates

**DPHHS Response:**

HB2 page B2 appropriated 3,820,537 for the Disability Services Division (DSD) for provider rate increases (PRI) (amendment HB000225-B.AJP) and direct care wage (DCW) increases (amendment HB000235-B.AJP) for state fiscal year 2022. This appropriation includes both the Medicaid DD waiver program (DD) and Children’s Mental Health (CMHB) services program.

The SFY 2022 distribution of the appropriation between programs and purposes is calculated at:

DD Waiver 1% PRI = \$1,354,154

DD Waiver Direct Care Wages = \$1,106,482

CMHB Medicaid Services 1% PRI = \$1,359,901

MAR 37-949 proposes a full and complete state fiscal year 2022 distribution of the DD share via to the DD Waiver rates. The total waiver rate change included in the manual and in the rule includes:

1% provider rate increase

\$473,818 General Fund increase

\$880,336 Federal Fund increase

\$1,354,154 Total Funds increase

Direct care retention increase

\$387,158 General Fund increase

\$719,324 Federal Fund increase

\$1,106,482 Total Funds increase

Both proposed increases are included in the rate changes within the provider manual.

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**Interim Committee Question:**

“As I understand it, the Part B subcommittee appropriated 1% provider rate increases to amdd, sltc and dd providers. The Senate Finance and Claims Committee added 1% to make it a 2% increase for these providers. The Free Conference Committee then reversed the Senate Finance and Claims action and took away the second 1% increase, which meant that the providers still had a 1% increase overall. Then, the Free Conference Committee voted to take funds from the sltc Medicaid Provider rate increase and direct those funds to both DD provider rates and to wages for direct care workers who provide waiver services. However, it appears that this did not happen in the Rule, which only gives the dd providers a 1% increase and gives a \$.24 an hour raise for only some direct care workers and not others. (see motion at HB000235-BCL1034.pdf (mt.gov) ) Can you please explain that. “

“It appears that the legislature intended that DPHHS would take the provider rate increase from senior long term care workers (because of other increases they received) and direct them to DD direct care workers who work on the expansion waiver, but it appears that that did not happen. Can you please explain that.”

“Are you planning to amend the proposed Rule to make sure that the rates in the Rule match the manual”

**DPHHS Response:**

MAR 37-949 proposes a full and complete state fiscal year 2021 distribution of the DD share of the Developmental Services Division Medicaid PRI line in HB2 via to the DD Waiver rates. The total waiver rate change included in the manual and in the rule includes:

1% provider rate increase

\$473,818	General Fund increase
\$880,336	Federal Fund increase
\$1,354,154	Total Funds increase

Direct care retention increase

\$387,158	General Fund increase
\$719,324	Federal Fund increase
\$1,106,482	Total Funds increase

DPHHS will be adding an additional schedule to the manual to clearly identify the changes to rates and how it ties to the fiscal impact section of the proposed rule.

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**Interim Committee Question:**

“What is the plan to incorporate/implement DD worker increases from ARPA and/or other sources, because the Rule doesn't appear to address it.”

**DPHHS Response:**

MAR 37-949 proposes a state fiscal year 2021 distribution of the DD direct care wages. This is a potentially countable item under the ARPA 10% HCBS maintenance of effort. DPHHS is currently awaiting CMS response to our planning documents for the HCBS 10% FMAP savings and related maintenance of effort. Since DPHHS has appropriation authority to issue these DCW increases, we determined it was appropriate to proceed with MAR 37-949 immediately in the new state fiscal year and not wait for CMS feedback on it's overlap into the maintenance of effort.

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**Interim Committee Question:**

“An explanation of why some DD rates don’t include the increase for direct-care worker recruitment and retention.”

**DPHHS Response:**

The waiver defines supported employment as habilitation services and staff supports needed by a person to acquire a job/position or career advancement in the general workforce at or above the state's minimum wage. Additionally, the supported employment rate is based on a higher level of education and training than other rates that received an increase. The supported employment rate currently in effect is \$37.88 (proposed SFY2022 is \$39.94 per hour) with the wage component of the supported employment of the rate being \$17.52 (proposed for SFY2022 is \$18.46).



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Questions on the Optometric Codes:

Please provide the numbers and calculations with that were used to arrive at the adjustment for the optical and optometric services provider rate. Information showing if this is an increase or decrease in reimbursement.

Explanation of why the optical service provider rate, from all the other provider rates, is singled out in this notice

**DPHHS Response:**

The following table provides the factors utilized in the proposed rate setting for optometric services. The proposed rate change is a 1% increase.

	<b>Conversion Factor</b>	<b>Relative Value Unit</b>	<b>Policy Adjuster</b>	<b>Rate Variable - Provider Rate of Reimbursement</b>	<b>Average Resulting Rate Change</b>
SFY 2021	24.66	Varies	1.0000	1.1750	
SFY 2022 as proposed and amended	24.75	Varies	1.0000	1.1479	1%

Page 19 provide an analysis on the original and amended proposed optometric policy adjustor impact. The forecasted impact of both the original and proposed rate change is a weighted average increase of 1.00%.

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## Top 20 Optometric Codes Billed to Montana Medicaid - Detail

Proc Code	Description	SFY 2021		SFY 2022 Original Proposal		SFY 2022 Amended Proposal	
		Rate	Total Paid	Rate	Estimated	Rate	Estimated
92014	EYE EXAM&TX ESTAB PT 1/>VST	103.30	1,377,554	105.34	1,404,758	104.52	1,393,823
92004	EYE EXAM NEW PATIENT	123.00	1,008,048	125.10	1,025,259	124.13	1,017,309
92340	FIT SPECTACLES MONOFOCAL	28.95	433,496	29.18	436,940	28.95	433,496
92015	DETERMINE REFRACTIVE STATE	16.78	364,472	16.58	360,127	16.45	357,304
92250	EYE EXAM WITH PHOTOS	36.97	68,376	32.64	60,368	32.39	59,905
99213	OFFICE O/P EST LOW 20-29 MIN	61.83	62,455	63.44	64,081	75.23	75,990
92012	EYE EXAM ESTABLISH PATIENT	72.41	46,123	74.70	47,581	74.12	47,212
92341	FIT SPECTACLES BIFOCAL	33.76	44,187	33.19	43,441	32.93	43,100
92065	ORTHOPTIC/PLEOPTIC TRAINING	43.35	35,550	44.67	36,632	44.32	36,345
99214	OFFICE O/P EST MOD 30-39 MIN	89.62	26,544	90.01	26,659	106.74	31,614
99212	OFFICE O/P EST SF 10-19 MIN	37.52	22,161	39.03	23,053	46.28	27,335
99203	OFFICE O/P NEW LOW 30-44 MIN	88.95	19,190	78.03	16,834	92.53	19,962
92002	EYE EXAM NEW PATIENT	68.85	14,614	71.84	15,249	71.28	15,130
92083	VISUAL FIELD EXAMINATION(S)	51.75	13,201	52.69	13,441	52.28	13,336
92133	CMPTX OPTH IMG OPTIC NERVE	30.60	11,997	30.92	12,122	30.68	12,028
92342	FIT SPECTACLES MULTIFOCAL	36.07	8,152	35.48	8,018	35.20	7,955
65778	COVER EYE W/MEMBRANE	1,153.66	7,900	1,226.05	8,396	1216.51	8,331
92134	CPTR OPTH DX IMG POST SEGMENT	33.50	7,857	34.07	7,991	33.81	7,930
99204	OFFICE O/P NEW MOD 45-59 MIN	136.10	7,223	116.55	6,186	138.22	7,336
99211	OFFICE O/P EST MINIMAL PROB	18.92	6,543	15.81	5,468	18.75	6,484
		Total Top 20 Codes	3,585,643		3,622,605		3,621,928
		Total All Codes	3,627,999		3,663,912		3,664,307
					100.99%		101.00%