DISCLOSURE

The information contained within this session was used as a visual aid for informational purposes only. This content was not designed to be utilized without the verbal portion of the presentation. Accordingly, information included within these slides, in some cases, are only partial lists of requirements, recommendations, examples etc. and should not be considered comprehensive. These materials are being issued with the understanding they must not be considered legal advice.
DISCLOSURE

Information contained within this presentation is informational only. Providers should consult with their respective insurers, including Medicare fiscal intermediaries, carriers or contractors for specific information on proper coding & billing for health care procedures.

Information contained within this presentation is not intended to cover all situations or all payers’ rules & policies. Reimbursement laws, regulations, rules & policies are subject to change.

Expanding Reimbursement through the Medicare Supplemental Process

Pennsylvania Association of Community Health Centers
October 16, 2019

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Achieve Revenue Management, LLC
Medicare Supplemental Payments

Medicare Advantage (MA) Plan
- Type of health plan offered by private companies that contract with Medicare
- Provide all Part A & Part B benefits for beneficiary
- Most Medicare services are covered through the plan
- Medicare services aren't paid for by Original Medicare
- Include:
  - Health Maintenance Organizations
  - Private Fee-for-Service Plans
  - Special Needs Plans
  - Medicare Medical Savings Account Plans

https://www.medicare.gov/sign-up-change-plans/types-of-medicare-health-plans/medicare-advantage-plans
Medicare Advantage (MA) Plan

- Medicare pays a fixed amount for beneficiary care each month to MA plan companies
- Companies must follow rules set by Medicare
- Each MA plan can charge different out-of-pocket costs
- Can have different rules:
  - Referrals
  - In-network providers
  - Etc.


Medicare Advantage (MA) Plan

- Section 237 of the Medicare Modernization Act (MMA) requires CMS to provide supplemental payments to FQHCs that contract with MA organizations to cover the difference, if any, between the payment received by the FQHC for treating MA enrollees and the payment to which the FQHC would be entitled to receive under the cost-based all-inclusive payment rate as set forth in 42 CFR, Part 405, Subpart X

Medicare Claims Processing Manual, Chapter 09
Medicare Advantage (MA) Plan

- Supplemental payment for:
  - Covered FQHC services furnished to MA enrollees
  - Augments the direct payments made by the MA organization to FQHCs for all covered FQHC services

- MAC determines if the Medicare payments that the FQHC would be entitled to exceed the amount of payments received by the FQHC from the MA organization
- If so, pay the difference to the FQHC

Medicare Advantage (MA) Plan

- FQHCs seeking the supplemental payment are required to submit (for the first two rate years) to the MAC:
  - Estimate of the average MA payments (per visit basis) for covered FQHC services
  - A documented estimate of their average per visit payment for their MA enrollees
  - For each MA plan they contract with
  - Other information as may be required to enable the MAC to accurately establish an interim supplemental payment
Medicare Advantage (MA) Plan

- FQHC is only eligible to receive this supplemental payment when:
- FQHC services are provided during a face-to-face encounter between an MA enrollee and one or more of the following FQHC covered core practitioners:
  - physicians, nurse practitioners, physician assistants, certified nurse midwives, clinical psychologists, or clinical social workers
- The supplemental payment is made directly to each qualified FQHC through the MAC

Medicare Claims Processing Manual, Chapter 09

MACs appear to have considerable discretion and variances in requirements

Example: Requirements to Receive Wrap-Around Payments from Medicare

- The FQHC must have a written contract with the Medicare Advantage (MA) plan that contain the terms specified by Title 42 of the CFR, Section 422.527.
- The contract must be signed by both the FQHC and the MA plan
- A contract with an individual physician would not qualify for the supplemental payment
- The person signing for the FQHC must be a representative of the FQHC

www.ngsmedicare.com_FQHC Job Aide
Medicare Advantage (MA) Plan

- MACs appear to have considerable discretion and variances in requirements
- Example: Requirements to Receive Wrap-Around Payments from Medicare:
  - FQHCs must provide the MAC with a valid MA contractor number with each contract
  - If they cannot, they will not be set up for the supplemental payment
  - To obtain the MA contractor number the FQHC should contact the MA plan manager
  - The FQHC must provide the MAC with an average MA per-visit payment rate for each MA plan they are under contract with

www.ngsmedicare.com, FQHC Job Aide
EXAMPLE OF RATE CALCULATION FOR MA CONTRACTS

Example of Per-Visit Payment Rate Calculation for Providers Contracting with an MA Plan
Capitation Rate Conversion

<table>
<thead>
<tr>
<th>Age</th>
<th>PMPM</th>
<th>Annualized Capitation per 100</th>
<th>Estimated Visits per 100</th>
<th>Per-Visit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-12</td>
<td>$13.32</td>
<td>$15,984</td>
<td>299.38</td>
<td>$53.39</td>
</tr>
<tr>
<td>13-18</td>
<td>$27.55</td>
<td>$33,060</td>
<td>620.38</td>
<td>$53.20</td>
</tr>
<tr>
<td>19-36</td>
<td>$34.35</td>
<td>$41,220</td>
<td>765.60</td>
<td>$53.84</td>
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<tr>
<td>37+</td>
<td>$46.42</td>
<td>$55,704</td>
<td>990.64</td>
<td>$56.23</td>
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</table>

Average Rate: $ 54.19

EXAMPLE OF RATE CALCULATION FOR MA CONTRACTS

Example of Per-Visit Payment Rate Calculation for Providers Contracting with an MA Plan
Fee-for-service (FFS) Rate Conversion

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Proc Desc</th>
<th>Units</th>
<th>Plan Rate</th>
<th>Weighted Rate</th>
<th>Copay / Deductible</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>99201</td>
<td>INITIAL OFFICE VISIT, FOCUSED</td>
<td>60</td>
<td>$36.32</td>
<td>$72.64</td>
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<td>$73</td>
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<tr>
<td>99202</td>
<td>INITIAL OFFICE VISIT, EXPANDED</td>
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<td>$64.97</td>
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<td>$4,010</td>
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<td>99203</td>
<td>INITIAL OFFICE VISIT, DETAILED</td>
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<td>$66.17</td>
<td>$2,885.10</td>
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<td>99204</td>
<td>INITIAL OFFICE, COMPREHENSIVE, MED. COMPL.</td>
<td>3</td>
<td>$136.35</td>
<td>$2,880.35</td>
<td>-</td>
<td>$2,883</td>
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<tr>
<td>99205</td>
<td>INITIAL OFFICE, COMPREHENSIVE, HIGH COMPL.</td>
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<td>$519.03</td>
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<tr>
<td>99211</td>
<td>ESTABLISHED OV, MINIMAL</td>
<td>36</td>
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<td>$804.08</td>
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<tr>
<td>99212</td>
<td>ESTABLISHED OFFICE VISIT, FOCUSED</td>
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<td>$15,796.65</td>
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<td>ESTABLISHED OFFICE VISIT, EXPANDED</td>
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<td>PREV. MED. NEW PT, 65 AND OVER</td>
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<td>$150.87</td>
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<tr>
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<td>$22,584.48</td>
<td>-</td>
<td>$22,584</td>
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</tbody>
</table>

Totals: 3,470 $ 218,995

Average Rate: $ 63.11
Medicare Advantage (MA) Plan

• FQHC seeking the supplemental payment is responsible for submitting a claim for each qualifying visit to the MAC:
  – On type of bill (TOB) 77x
  – Revenue code 0519

• Do not submit revenue codes 052X and/or 0900 on the same claim as revenue code 0519

Medicare Advantage (MA) Plan

• For claims with the 0519 revenue code, the wraparound payment is based:
  • On the PPS rate without comparison to the provider’s charge
  • Rate is also NOT adjusted for coinsurance or preventive services as the MA plan would have already assessed any applicable coinsurance and related waivers of coinsurance
Medicare Advantage (MA) Plan

- Medicare will compare the PPS rate with the MA contract rate for a FQHC visit
- When the MA contract rate is lower than the applicable PPS rate that would otherwise have been paid by traditional Medicare had the beneficiary not been covered by the MA plan, the contractor will pay the difference as a supplemental wraparound payment
- The FQHC does not qualify for a supplemental wraparound payment when the MA contract rate is higher than the applicable PPS rate that would otherwise have been paid by traditional Medicare had the beneficiary not be covered by the MA plan

TIPS