

**Physician UPL Supplemental Payment Program
Instructions and Frequently Asked Questions – Revised 01/16/2018
Latest Approved State Plan Amendment - #17-0011**

The Louisiana Department of Health (LDH) has been approved by the Centers for Medicare and Medicaid Services (CMS) to make supplemental payments for physicians and other professional service practitioners. The purpose of this program is to enhance payments to practitioners employed or contracted by public hospitals. This document has been revised to provide instructions and a recommended approach to gathering documents and completing the forms necessary to participate in the Physician UPL payment program. We have included instructions, Q&A's and examples within each section accordingly.

Steps and Recommended Approach:

- I. Determine practitioner(s) or groups eligible to participate in the Physician UPL Supplemental Payment program.
- II. Complete the La Commercial Data Request Form – Practitioner Information Tab(s).
- III. For each Medicaid Billing number identified in Section II, identify the Top 3 commercial payers for the Group or Practitioner ID.
- IV. Identify the CPT codes with Medicaid activity for the volume period used to calculate the Average Commercial to Medicare conversion factor.
- V. For each Medicaid Billing number identified in Section II, complete the LA Commercial Data Request Form - Average Commercial Rate Tab to include the CPT fee schedule rates for the applicable payers identified in Sections III. (Note: only necessary to submit CPT codes identified in Section IV)

Timely submit all required documents to LDH at PhysicianUPL@La.gov. Submission questions may be made to the LDH contractor Ms. Brittany.fox@lrcaudit.com or Patrice.leblanc@lrcaudit.com. Necessary forms and a copy of the State Plan Amendment can be found at www.lrcaudit.com/#physician.

- VI. Other General Questions and Sample Supplemental Payment Calculation.

Section I

**Determine practitioner(s) or groups eligible to participate in the
Physician UPL Supplemental Payment program**

Section I - Determine practitioner(s) or groups eligible to participate in the Physician UPL Supplemental Payment program

In accordance with the State Plan amendment – Section 4.19-B, in order to receive supplemental payments, physicians and other eligible practitioners must be:

Qualifying Criteria

- 1) Licensed by the State of Louisiana,
- 2) enrolled as a Louisiana Medicaid Provider
- 3) Non-State Owned or operated Governmental entity (Governmental) employed by, or under contract to provide services at or in affiliation with a non-state owned governmental entity and identified by the non-state owned or operated governmental entity as such.

For reference and review purposes, contract arrangements have been grouped into types using the Medicaid claim and Supplemental payment payee designation as a basis:

- a. Type A -employed directly by the Governmental Entity (on payroll as W-2 employee) (Governmental is payee on both the Medicaid claim and Supplemental payment)
 - b. Type B-under contract with Governmental with Medicaid claim payment assigned to the Governmental. (Governmental is payee on both the claim and Supplemental payment)
 - c. Type C-under contract with Governmental with Medicaid claim billed directly by the Practitioner (Group). The Practitioner assigns supplemental payment to the Governmental. An employer/employee type arrangement must exist. Eligible services are limited to Governmental patient services only. (Practitioner is payee on claim, Governmental is payee of supplemental).
 - d. Type D-under contract with Governmental with Medicaid claim billed directly by the Practitioner (Group). The Governmental identifies the Practitioner as eligible to directly receive the Supplemental payment. (Practitioner is payee on both the claim and Supplemental payment)
- 3) State-Owned or Operated Entities employed by, or under contract to provide services at or in affiliation with a state owned or operated governmental entity and designated as an essential provider.
- e. Type E – Employed by or under contract with State Owned Designated Provider. Providers include: LSU School of Medicine – New Orleans, LSU School of Medicine – Shreveport, LSU School of Dentistry, LSU/State Operated Hospitals (Lallie Kemp Regional Medical Center and Villa Feliciana Geriatric Hospital).

Eligible practitioner types:

- 1) Physician
- 2) Physician Assistant
- 3) Certified Registered Nurse Practitioner
- 4) Certified Registered Nurse Anesthetist
- 5) Dentist (Type E only)

Example contract arrangement and eligibility for supplemental payment:

(Note: determination assumes licensing and Medicaid enrollment criteria have been met)

*For all of the following examples, Hospital A is a Non-State Owned Governmental Facility

A. Employment Type A – Employed physician

1. Hospital A employs (W-2 arrangement) several physicians to provide pathology services on the Hospital site. Hospital A bills claims and physicians assign payment of claims to Hospital A (Hospital A is payee). Medicaid pathology services provided are eligible for supplemental payment.
2. Hospital A employs (W-2 arrangement) several physicians to provide pathology services at a Non-Hospital site. Hospital A bills claims and physicians assign payment of claims to Hospital A (Hospital A is payee). Medicaid pathology services provided are eligible for supplemental payment.

B. Employment Type B – Under contract Hospital billing

1. Hospital A has a contract with Physician B to provide EKG interpretations on hospital patients. Hospital A bills claims and Physician B assigns payment of claims to Hospital A (Hospital A is payee). Medicaid EKG services provided are eligible for supplement payment.
2. Hospital A has a contract with Physician B to provide EKG interpretations at a non-Hospital clinic setting. Hospital A bills claims and Physician B assigns payment of claims to Hospital A (Hospital A is payee). Medicaid EKG services provided are eligible for supplemental payment.

C. Employment Type C – Under contract Non-Hospital Billing – Hospital Supplemental Payment

1. Hospital A has a contract with Anesthesiology Group B to provide CRNA services at Hospital A to hospital patients. Anesthesiology Group B bills and retains professional service collections. (Group B is payee) . Anesthesiology Group B assigns supplemental payment to Hospital A. Medicaid CRNA services provided at Hospital A are eligible for supplemental payment. (Claims matched for date of service)
2. Hospital A has a contract with Anesthesiology Group B to provide CRNA services at a non-Hospital (free-standing) site. (Group B is payee) Anesthesiology Group B bills and retains professional service collections. Medicaid CRNA services provided at the non-Hospital site are not eligible for supplemental payment. Services must be provided for hospital patients.
3. Hospital A has a contract with Physician B to provide EKG interpretations on EKGs performed on Hospital A's patients. The location of the professional interpretation may be at Hospital A or in Physician B's office setting. Physician B bills and retains professional service collections. (Physician B is payee) Physician B assigns supplemental payment to Hospital A. Medicaid EKG services provided are eligible for supplemental payment for the services performed on Hospital A's patients. (Claims matched for date of service)
4. Hospital A has transferred Physician B contract to outside Hospital C as part of the Low Income & Needy Care Collaboration Agreements (LINCCA) program. There is a contract in place between Physician B and Hospital C to provide Anesthesiology services at Hospital A. Physician B bills and retains professional service collections. (Physician B is payee) Physician

B assigns supplemental payment to Hospital A. Physician B Medicaid anesthesia services provided at Hospital A are eligible for supplemental payment. (Claims matched for date of service)

D. Contract Type D – Under contract Non-Hospital Billing –Practitioner Supplemental Payment

1. Hospital A has a contract with Anesthesiology Group B to provide CRNA services at Hospital A. Anesthesiology Group B bills and retains professional service collections. (Group B is payee) Hospital A identifies CRNA practitioners as Type D practitioner eligible for direct payment (supplemental payment is not assigned). Medicaid CRNA services provided at Hospital A are eligible for supplemental payment.
2. Hospital A has a contract with Anesthesiology Group B to provide CRNA services at Hospital A. Anesthesiology Group B contracts with Hospital C to provide professional services at Hospital C. Anesthesiology Group B bills and retains professional service collections. (Group B is payee) Hospital A identifies CRNA practitioners as Type D practitioner eligible for direct payment. (supplemental payment is not assigned) Medicaid CRNA services provided at Hospital C are eligible for supplemental payment.

E. Contract Type E – Employed by or under contract with State Owned (LSU)

1. Hospital A has a contract with LSU School of Medicine – New Orleans Physician Group B to provide EKG services at Hospital A. LSU School of Medicine – New Orleans Physician Group B bills and retains professional service collections. (Group B is payee). LSU School of Medicine identifies Group B as Type E practitioners eligible for supplemental payment. Medicaid EKG services provided at Hospital A are eligible for supplemental payment.

Questions and Answers – Eligible Practitioners:

- 1) Question – Are the services of provider-based rural health clinic (RHC) physicians’ eligible for physician UPL supplemental payment?
 - a. Answer – Any covered RHC or FQHC services would not be eligible for the supplemental payment. These services are paid by Medicaid under a prospective all-inclusive (global) rate (see Section V- Q&A-#1). Professional services performed by the provider-based RHC physicians in the hospital (or elsewhere if employment type A, B or D) would be eligible for supplemental payment.
- 2) Question-Are physicians that provide services at the Governmental without a written contract (verbal arrangement only) eligible for supplemental payment.
 - a. Answer-A written contract must be in place in order to be eligible for supplemental payments. A retroactive written agreement will be accepted as long as it pertains to actual services performed at the hospital site during the applicable supplemental payment dates of service.
- 3) Question-For Category C Employment Arrangements in which the practitioner performs his own billing, what are the elements necessary to meet the Employer/Employee relationship requirement?
 - a. Answer – The focus is to distinguish between those practitioners that are seeing their

own patients at the hospital (with limited to no direction/supervision from the hospital- example general staff rounds) and those practitioners that are fulfilling a need for the hospital in a particular area (providing 24 Emergency dept coverage, handling all pathology department services, etc). In the latter case, the contract practitioner must follow the hospital department policies/procedures and the Hospital is responsible for the general/

Section II

**Complete the La Commercial Data Request Form – Practitioner
Information Tab**

Section II - Complete the La Commercial Data Request Form – Practitioner Information Tabs

Submission of Practitioner Information forms to LDH – participation dates of service as identified on forms available on contractor website: www.lrcaudit.com/#physician. Ensure that your form matches the form on the website noted above if obtaining your LA Commercial Data Request form from a different source. **Failure to use the current forms will cause delays in completing your submission. If your data includes information for the incorrect dates of service period, you may be required to resubmit using the correct period data.**

Note: To update an expired conversion factor (“Rebase submission”) Please contact LRCA directly to obtain the correct form to ensure continued eligibility.

Complete the Practitioner Information form tabs applicable to the contract arrangement to include all eligible practitioners identified in Section I of this document. Practitioner Information Tabs are grouped by those that are paid to the governmental through a designated hospital number (Type A, B, C) or by the practitioner entity receiving payment (Type D, E).

Note: The UPL program data is obtained using the seven digit Medicaid Provider Billing ID. We are unable to obtain system claim data using the NPI. The forms must be completed using the seven digit assigned Medicaid Provider Billing ID so that the appropriate claim data may be ordered.

Example for completing Billing ID columns 1 and 2:

Example 1: A hospital employs a physician to work primarily in the hospital-based RHC clinic. The physician also periodically covers the hospital’s Emergency Room department. The Emergency Dept services are billed to the Medicaid program using the physicians servicing Medicaid Provider ID. In this case, both column 1 and 2 of the Practitioner Information tab should include the physicians servicing provider id.

Example 2: A hospital contracts a Radiology group to perform services in the Hospital’s Radiology department. Three radiologists perform services at the hospital. All Medicaid claims are billed using one Group Radiology Medicaid Provider ID. Column 1 of the Practitioner Information tab should contain the Group Radiology Medicaid Provider ID. Column 2 should contain the individual Practitioners Medicaid Servicing number next to each of the three Practitioners names.

Sample Completed form – following page

Practitioner Information

Supplemental Payment to Qualifying Governmental Facility (Type A ,B, C)

Qualifying Governmental Facility Name: _____

Designated Governmental-Owned Group PHYSICIAN Type Medicaid Number: 1234567 **A**

Supplemental Payment for all physicians listed below will be paid under this Vendor Number

Activity Period for Review: From **7/1/2016** Through **6/30/2017**

Contact Name Governmental Facility Representative

Contact Phone # xxx-xxx-xxxx **Contact Email:** Example@Hospital.com

Practitioner Information

							For Type C Only			
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11
Practitioner (or Group) Medicaid Provider Billing ID (Billing Provider Number)	Practitioner Medicaid Provider Billing ID (Servicing Provider Number)	Practitioner Name	Practitioner Specialty (Pathologist, Cardiologist)	Practitioner Type: 1: Physician 2:Physician Assistant 3: CRNP 4: CRNA	Contract Arrangement: A: Govt Employed W2 B: Contracted-Govt Bills C: Contracted-Pract Bills, Govt SP	Does this Practitioner Assign his/her Medicaid payments (Non Supplemental) to the Gov't Facility? (Yes/ No)	Partial Period Arrangements: Provide hire/contract effective date for arrangements beginning during the review period	Partial Period Arrangements: Provide termination date for arrangements ending during the review period	Does the practitioner assign his/her supplemental payments to the Facility? (Yes/No)	Does an Employer-Employee type arrangement exist? (Yes/No)
B XXXX1	XXXXX1	Dr RHC Hospital Serv	Internal Med	1	A	Yes				
B 1234567	XXXXX2	NP Hospital Bills	Internal Med	3	B	Yes				
B 1234567	XXXXX3	Dr. Hospital Bills	Hospitalist	1	A	Yes				
8888888	XXXXX4	Dr My Group Bills	Radiology	1	C	No	4/1/2017		Yes	Yes
8888888	XXXXX5	PA My Group Bills	Radiology	2	C	No			Yes	Yes
8888888	XXXXX9	PA My Group Bills	Radiology	2	C	No			Yes	Yes
B 6789100	XXXXX6	Dr. Anesthesia	Anesthesiology	1	B	Yes				
B 6789100	XXXXX7	Larry Z CRNA	Anesthesiology	4	B	Yes				

- Notes by Column:**
- 1 Provide the Medicaid Provider Billing ID. The NPI reported in CMS Form 1500-Box 33b is assigned to this Medicaid Provider Billing ID.
 - 2 Provide the Medicaid Provider Servicing ID number of the practitioner who performed the service. The NPI reported in CMS Form 1500-Box 24J is assigned to this Medicaid Provider Servicing ID.
 - 6 Provide Contract Arrangement as indicated:
 Type A: Governmental Facility Employed Practitioner (Form W-2 employee). Governmental Facility bills and is payee of Medicaid claim.
 Type B: On Contract - Practitioner assigns Medicaid claim to Governmental Facility. Governmental Facility bills and is payee of Medicaid claim.
 Type C: On Contract - Practitioner is owner of billing id. Practitioner bills/retains their own claims. Supplemental payment is assigned to Governmental Facility.
 - 7 Please indicate whether or not this practitioner has assigned his/her Medicaid nonsupplemental claims payments to the Governmental facility.
Category C Type Arrangements only:
 - 8 Partial Period Arrangements only: Please provide the date the initial affiliation arrangement between the practitioner and the hospital if this occurred after the first date of the review period.
 - 9 Partial Period Arrangements only: If this practitioner is no longer under contract during the review period, please provide the effective date of the termination.
 - 10 Confirm that the Practitioner has assigned his/her Supplemental Payments to the Governmental Facility.
 - 11 An IRS employee (W-2 filing) relationship is not required. However, the practitioner must be under contract to perform services for the Governmental on Governmental Hospital patients. An employer/employee relationship with respect to general supervision must exist.

A Governmental-Owned Medicaid Physician-Type Provider Billing ID that will be used for UPL payment for ALL Type A,B,C contract arrangements. **A hospital-type ID is not eligible to receive payments.**
B Governmental is owner "payee" of the Medicaid Provider Billing ID.

Practitioner Information

Supplemental Payment directed by Governmental Facility directly to Contracted Practitioner Group or LSU Groups (Type D and E)

Qualifying Governmental Facility Name:	
Group Name Reference:	

Activity Period for Review:	From	7/1/2016	Through	6/30/2017
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Contact Name	Governmental Facility Representative		
Contact Phone #	xxx-xxx-xxxx	Contact Email:	Example@Hspital.com

Type D only							
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Practitioner (or Group) Medicaid Provider Billing ID (Billing Provider Number)	Practitioner Medicaid Provider Billing ID (Servicing Provider Number)	Practitioner Name	Practitioner Specialty (Pathologist, Cardiologist)	Practitioner Type: 1: Physician 2: Physician Assistant 3: CRNP 4: CRNA	Contract Arrangement: D: Under Contract with Gov't-Govt directs Payment directly to Non-Govt Pract Group E: LSU Owned Billing Number	"Payee" of Billing ID referenced in Col 1 is a Non-Governmental Facility (Yes/No)	Practitioner is under contract to perform services at a Governmental Facility (Yes/No)
+ Group Z#	XXXXX1	Dr RHC Hospital Serv	Internal Med	1	D	Yes	Yes
+ Group Z#	XXXXX2	NP Group Billing	Internal Med	3	D	Yes	Yes
+ 9876544	XXXXX3	Dr. Hospitalist	Hospitalist	1	D	Yes	Yes
+ XXXXX4	XXXXX4	Dr My Group Bills	Radiology	1	D	Yes	Yes
+ XXXXX5	XXXXX5	PA My Group Bills	Radiology	2	D	Yes	Yes
+ XXXXX6	XXXXX6	Dr. Anesthesia	Anesthesiology	1	D	Yes	Yes
+ XXXXX7	XXXXX7	Larry Z CRNA	Anesthesiology	4	D	Yes	Yes
5678910	XXXXX8	Dr LSU Owned Group	Internal Med	1	E		

- Notes by Column:**
- 1 Provide the Medicaid Provider Billing ID. The NPI reported in CMS Form 1500-Box 33b is assigned to this Medicaid Provider Billing ID.
 - 2 Provide the Medicaid Provider Servicing ID number of the practitioner who performed the service. The NPI reported in CMS Form 1500-Box 24J is assigned to this Medicaid Provider Servicing ID.
 - 6 Provide Contract Arrangement as indicated:
 Type D: Under Contract with Governmental Facility- Governmental directs payment to Non-Governmental Practitioner Billing ID.
 Type E: LSU State Owned directing payment to LSU individual Billing IDs.
 - 8 Please confirm that a contract arrangement is effective and signed by both the Governmental and the Owner of the Billing ID [referenced in Column 1] PRIOR to submission of form for review.

+ Non-Governmental Facility is owner "payee" of the Medicaid Provider Billing ID. Supplemental Payment will be made directly to each Medicaid Provider Billing ID listed.

Section III

Identify the Top 3 commercial payers

Section III - For each Medicaid Billing number identified in Section II, identify the Top 3 commercial payers for the Group or Practitioner ID.

An overall commercial to Medicare conversion factor will be established for each qualifying practitioner (or group of qualifying practitioners utilizing the same Medicaid billing number) identified in section 2 above. To determine the top three payers by volume, analyze total payment activity (not by CPT) for the professional primary commercial payer claims to include the applicable review period (see review period on Practitioner Information Form).

Commercial payer information should not include data for the following payers:

- Medicare (including managed Medicare paid through commercial payers)
- Medicaid (including managed Medicaid paid through commercial payers)
- Workers Comp
- Tricare
- Managed Care not paid on a fee for service arrangement

Only CPT codes for which there was Medicaid volume during the prior state fiscal year will be used in the calculation of the average commercial to Medicare payment conversion factor.

An Accounts Receivable or similar accounting report should be run identifying total payments received, by primary insurance plan, (in total not by CPT) for the review period. If your system identifies several plans for the same insurance carrier, (example – Blue Cross – PPO, Blue Cross HMO, Blue Cross OGB, Blue Cross Medicare Advantage) payments should be grouped based on same Network Fee Schedules (group PPO network, HMO network).

Example for identifying top 3:

Billing#1 - AR Report – Billing Number #1234567 - Professional payments received covering review period:

Aetna Better Health - \$40,000 (omit – Medicaid – not commercial)
Benefit Management – \$10,000 (BC-PPO Network of Physicians) A
Blue Cross PPO - \$100,000 (BC-PPO Network of Physicians) A
Blue Cross HMO - \$20,000 (BC-HMO Network of Physicians)
Blue Cross Medicare Advantage - \$50,000 (omit – Medicare- not commercial)
Blue Cross OGB - \$30,000 (BC-PPO Network of Physicians) A
Cigna – PPO - \$75,000 (Cigna-PPO Network of Physicians)
Louisiana Healthcare Connections - \$500,000 (omit – Medicaid – not commercial)
Medicare - \$1,000,000 (omit – Medicare – not commercial)
OGB (non-Blue Cross) - \$30,000 (OGB-PPO Network of Physicians)
United Traditional PPO - \$30,000 (United-PPO Network of Physicians)
United ChoicePlus - \$200,000 (United-Choice Network of Physicians) B
United Choice - \$30,000 (United-Choice Network of Physicians) B

Step 1 – Group by Payer/Network Fee Schedule

Blue Cross – PPO Network - \$140,000 (Sum of A)
Blue Cross – HMO Network - \$20,000
United PPO Network - \$30,000

United Choice Network - \$230,000 (Sum of B)
Cigna – PPO Network - \$75,000
OGB – PPO Network of Physicians - \$30,000

Step 2 – Select the top 3 payers:

United Choice Network - \$230,000
Blue Cross PPO Network - \$140,000
Cigna PPO Network - \$75,000

Billing#2 - AR Report – Billing Number #678910 - Professional payments received covering review period:

Blue Cross PPO - \$75,000
Blue Cross HMO - \$5,000
Cigna PPO - \$10,000
Aetna PPO - \$25,000

Group by Payer/Network and Select the top 3 payers:

Blue Cross PPO - \$75,000
Aetna PPO - \$25,000
Cigna PPO - \$10,000

III. Questions and Answers – Selection of Top 3 commercial payers:

- 1) Question – How is “volume” defined in determining which commercial payers are the top 3 commercial payers by volume? Should the analysis be performed on a hospital, practice or practitioner level basis?
 - a. Answer- The preferred method to determine volume should be based on the total. Professional payments received, by insurance plan, from commercial payers for the participation period generally to include one year (in total, not by CPT). If identifying total payments by payer is not readily available through the accounting system, an alternative method of using billed charges for the period (in total, not by CPT) will be accepted. Documentation of the basis used to determine volume must be available for review and clearly demonstrate that the activity of all commercial payers for the applicable billing number was included in the population to determine the top 3 payers.

A separate analysis should be performed for each Medicaid billing provider number. For example, if several practitioners submit claims to Medicaid using a single group practice billing provider number, the combined total of all payments received from commercial payers for the group should be reviewed to identify the top 3 commercial payers.

For C Type groups, limit the payment activity to the submitting hospital location only. If unable to obtain location specific data, the hospital’s patient activity will be used in lieu of the practitioner group’s patient activity.
- 2) Question – What should be included in column three of the Average Commercial Rate tab if after reviewing a year of activity I have only identified 2 commercial payers?

- a. Answer – If there is no payment activity (in total not by CPT) for the commercial payer, Column 3 of the Average Commercial Rate tab should be left blank. The average commercial rate by CPT will be computed using rate information from payers 1 and 2.
- 3) Question – Should the commercial carrier used to administer my Hospital self-insurance employee claims be considered in selecting the top 3 commercial payers?
 - a. Answer – No. Payments made on behalf of the Hospital’s self-insurance fund should be excluded in selecting the top 3 commercial payers. However, if the commercial payer applies a consistent physician fee structure to both employee and non-employee patients (ex. all use Blue Cross PPO network fees, all use % of Medicare fees, etc) , then the total commercial payer payments may be included in the selection of the top 3 commercial payers.
- 4) Question – We have several low volume insurance payers that are grouped into a Miscellaneous Payer category on our AR Reports. Is it necessary to separately identify the individual plans in this group?
 - a. Answer – If the balance of the Miscellaneous Payer group could impact the selection of the Top 3 payers, it is necessary to separately identify the individual payers within the Miscellaneous group. If the inclusion could not impact the selection of the Top 3 in any way, it is not necessary to separate the category.

Example - AR Report :

Blue Cross - \$1,000,000
United Healthcare- \$800,000
Aetna PPO - \$100,000
Cigna PPO - \$90,000
Miscellaneous - \$15,000

For the above example, it would be necessary to identify the individual payers within the Miscellaneous group because if there are Cigna networks within the Miscellaneous group totaling greater than \$10,000, the Top 3 will be affected

Section IV

Identify the CPT codes with Medicaid activity for the volume period used to calculate the Average Commercial to Medicare conversion factor

Section IV - Identify the CPT codes with Medicaid activity for the volume period used to calculate the Average Commercial to Medicare conversion factor

In accordance with the State Plan Amendment, the average commercial to Medicare payment conversion factor will be established by aligning Medicaid claims data for the prior State fiscal year with the current commercial CPT rate information. In order to determine which CPT codes are needed to gather commercial rate information, you should determine the Medicaid covered CPT activity for the period July 1 through June 30th preceding the current participation period.

IV. Questions and Answers – Identification of applicable CPT codes to establish conversion factor:

- 1) Question – Is it acceptable to submit commercial payer information only on the top 10 or top 20 Medicaid CPT codes in order to determine the average commercial to Medicare payment conversion factor?
 - a. Answer – Yes. As long as the CPT code volume submitted represents at least 80% of the total volume for the period.

Section V

**Complete the LA Commercial Data Request Form – Average
Commercial Rate Tab**

Section V – Completion of the LA Commercial Data Request Form – Average Commercial Rate Tab

For each Medicaid Billing number identified in Section II, complete the LA Commercial Data Request Form – Average Commercial Rate Tab (tab 3) to include the CPT code fee schedule/ allowed amounts for the applicable payers identified in Sections III. The average is calculated using a straight average of payment rate amounts. $(100+75+50/3= \$75)$.

Note: CPT fee schedule/ allowed amounts may be submitted for all codes. However, only those codes identified in Section IV (the prior State fiscal year volume period) will be used in calculating the average commercial to Medicare payment conversion factor.

V. Questions and Answers – Completion of Average Commercial Rate Tab

- 1) Question – Should commercial payer rate information be submitted for CPT codes that include both a technical and professional component payment amount (i.e. CPT codes having modifier 26, all-inclusive prospective payment codes)?
 - a. Answer – CPT codes that include both technical and professional component payment amounts will be excluded from the supplemental payment calculation. It is not necessary to submit commercial payer information related to these codes. If the top 3 commercial payers identify a separate payment amount for mod 26- Professional component, the separate CPT codes with modifier 26 identified in the Medicaid claims data will be included in the calculation.

- 2) Question – On the LA Commercial Data Request form, Average Commercial Rate sheet, the column description says Top 3 commercial fee schedule payment amounts in effect for the review period. Is this for amounts actually paid during that time frame or do we need to pull from dates of service during the time frame?
 - a. Answer – Commercial rate information should reflect the latest (most current) rate agreements in effect during the review period. Therefore, include commercial payment rate information on dates of service during this period rather than those paid related to claims from an earlier agreement. Note: If a new commercial payer rate agreement was negotiated within the requested timeframe, it is not necessary to weight rate information per CPT code. Use the payment rate amounts from the latest agreement. It is only necessary to weight rate information if there are multiple payment rates for the same CPT code on the latest agreement in effect.

<u>Example:</u>	Allowed Amt Jan. 1	Allowed Amt effective Mar. 1
CPT XXXX1	100.00	110.00
CPT XXXX2	105.00	115.00
CPT XXXX3-hospital	115.00	125.00
CPT XXXX3-clinic	150.00	160.00

Rates to include (XXXX1-\$110, XXXX2-\$115, XXXX3- weighted avg of \$125 and \$160 based on actual activity during the period)

- 3) Question-Are commercial payer arrangements in which the payment is based on a percentage of billed charges acceptable to include in the Average Commercial Rate tab?
 - a. Answer – Yes. Include the computed payment amount for each applicable CPT code in the schedule.

- 4) Question – If multiple physician practices (separate Medicaid billing numbers) negotiate the same physician fee amounts with commercial payers, is it necessary to repeat the commercial payer information on the LA Commercial Data Request form for each Medicaid billing number?
 - a. Answer – No. For practice billing numbers that have the same top 3 commercial payers by volume and share the same payment rate agreements, the commercial payer information may be included once on the LA Commercial Data Request form, average commercial rate tab. A cover statement should be attached listing each Medicaid billing number for which the commercial payer information applies.

- 5) Question – Should a separate LA Commercial Data Request form or separate average commercial payer tab be submitted for each separate Medicaid billing number or should the commercial payer information be listed continuously on the provided average commercial rate tab?
 - a. Answer – Any of the listed methods is acceptable. A separate file, separate tabs within one file or continuous reporting on the same tab will be accepted.

- 6) Question-If our practice bills under one group number to Medicaid, is it necessary to include the individual servicing practitioner numbers on the LA Commercial Data Request, Average Commercial Rate tab?
 - a. Answer – No. Only include commercial payer information for the group number used to bill Medicaid claims. The applicable Servicing Practitioner Provider ID# should be listed on the applicable “Practitioner Information” tab.

- 7) Question – My third payer is out of network and I do not have a standard fee schedule. What do I include in the third column on the Average Commercial Rate tab?
 - a. Answer – Using the activity for the review period, it will be necessary to calculate the average allowed amount by CPT. A download at patient level detail is required for the out of network payer containing all activity supporting the average allowed amounts. The minimum required fields can be found on tab 5 of the La Commercial Data Request Form – Out of Network Example.

Sample Completed form – following page

Qualifying Governmental Facility Name:
 Activity Period for Review:

 From **7/1/2016** Through **6/30/2017**

Calculation of Average Commercial Rate

	1	2	3	4	
Medicaid Provider Billing ID	CPT Code	Payor 1	Payor 2	Payor 3	Average Commercial Rate per CPT
1234567		In-Network	In-Network	Network	
1234567	10001	10.00	15.00	20.00	15.00
1234567	10002	12.00	13.00	14.00	13.00
8888888		In-Network	In-Network	In-Network	
8888888	12001	14.00	15.00	16.00	15.00
8888888	12002	15.00	16.00	17.00	16.00
6789100		In-Network	Out-of-Network	Network	
6789100	99283	50.00	60.00	70.00	60.00
6789100	99284	100.00	115.00	230.00	148.33

Instructions by Column

- For each Medicaid Provider Billing ID, determine your top commercial 3 payers using the total **professional insurance payments by insurance plan** received for the period noted above. Payments should be analyzed in total not by CPT. The report should be run on primary commercial insurance payers, excluding data from Medicare, Medicare Crossover, Medicaid, Tricare, Workers Comp, and other non-commercial payers and codes not reimbursed by Medicaid. Please provide support for the determination with your submission.
- 1-3** Once your Top 3 payers are determined, identify the allowed rate by CPT you received (or would receive per the payer fee schedule) from the Top 3 payers determined. When a payer pays more than one amount per CPT, determine the average payment weighted by volume.
- Please identify if your commercial payers are in-network or out-of-network.
- Out of Network Payers: Complete the schedule using average allowed amounts by CPT code. A download at patient level detail is required for each out of network payer containing all activity supporting the average allowed amounts. See Out of Network Example tab for the minimum required fields.
- 4** Average of Col A-C

Note 1: A sample of the information provided may be requested. Support requested would need to be validated to the AR system.

Note 2: It is not necessary to include formula based Anesthesiology codes (generally ASA codes 00100-01999) here. Please provide conversion factor and medical direction percentages on separate tab for Anesthesiology services. Anesthesiology codes that are not paid on a formula based reimbursement (flat fee/code) should continue to be reported on this schedule.

Section VI

Other General Questions and Sample Supplemental Payment Calculation

Questions and Answers – General Questions and Sample Supplemental Payment Calculation

- 1) Question- Can the LA Commercial Data Request form be submitted directly by the physician practice to LDH separately from the LA Physician Certification Form?
 - a. Answer – An authorized agent of the facility must sign the certification form. The certification form can be found on the contractor website: www.lrcaudit.com/#physician. The LA Physician Certification form and the LA Commercial Data Request form must be submitted together to LDH (or LRCA) by the non-state owned or operated governmental authorized agent.

- 2) Question – Which fee payment column (Facility or Non-Facility) of the Medicare fee schedule will be used in calculating the physician UPL supplemental payment?
 - a. Answer – The non-Facility column of the Medicare fee schedule will be used in calculating both the average commercial to Medicare payment conversion factor and the supplemental payment amount.

Example – Supplemental Payment Calculation – Following Page

Qualifying Entity
Physician or Group Name
Medicaid Billing Provider Number

Column Reference	Calculation of Average Commercial Rate									
	A	B	C	D	E	F	G	H	I	
				Average Commercial Rate per	Medicaid Volume	Medicaid Rate (D * E)	Medicare Rate per CPT (Non-Fac)	Medicare Rate per CPT X Medicaid Volume (G * E)	Avg. Commercial Rate as Percentage of the Medicare Rate (F ÷ H)	
CPT	Payer 1	Payer 2	Payer 3	CPT	Volume	Rate (D * E)	Fac)	Volume (G * E)	Rate (F ÷ H)	
XXXX1	\$100	\$75	\$50	75.00	100	\$ 7,500.00	\$ 55.00	\$ 5,500.00	136.36%	
XXXX2	\$105	\$50	\$94	83.00	200	\$ 16,600.00	\$ 60.00	\$ 12,000.00	138.33%	
Total						\$ 24,100.00			\$ 17,500.00	137.71%

Calculation of 1st Supplemental Payment					
J	K	L	M	N	O
Medicaid Volume	Medicare Rate per CPT (Non-Fac)	Medicare Rate per CPT X Medicaid Volume (J * K)	Payment Ceiling = Medicare Rate x Medicaid Volume (M * N)	Medicaid Payment	Supplemental Payment
Volume	Fac)	Volume (J * K)	ACR (Total L * Total I)	Medicaid Payment	Supplemental Payment
95	60	\$ 5,700.00			
175	65	\$ 11,375.00			
		\$ 17,075.00	\$ 23,513.98	\$ 12,000.00	\$ 11,513.98

Notes by Column:

- A -C** Top 3 (by volume) commercial fee schedule allowed amounts in effect for the period prior to the review period.
Contains the payment (allowed amount) by third party payers per CPT up to the allowed amount including co-pays and deductibles.
When a payer pays more than one amount per CPT, determine the average payment weighted by volume.
Exclude data from Medicaid, Medicare, Medicare Crossover, Workers Comp, Tricare, and other non-commercial payers and codes not reimbursed by Medicaid.
- E** Report the Medicaid claims volume for dates of service prior to the review period
- G** Most currently available national non-Facility Medicare fee schedule amount.
- I** To derive the overall ratio of commercial payment to Medicare payment, use the total of column F divided by column H. See the highlighted cell.

Sample Calculation of 1st Supplemental Payment to be made for claims paid during the period submitted for review.

- J** Report the Medicaid claims volume for dates of service for the review period.
- K** Most currently available national non-Facility Medicare fee schedule amount.
- M** Payment Ceiling is total of Col L x Total Commercial to Medicare Conversion factor computed in Column I. Note: Ceiling reduced to 80% for non-physician practitioners.
- N** Medicaid payment in total for dates of service for review period.
- O** Column M-Column N

Note 1: The average commercial to Medicare conversion factor used to calculate supplemental payments will be updated at least every three years.