



Health Budgets
& Financial Policy



CY 2010 OIB Rate Package Release

Field Update

June 2010



Health Budgets
& Financial Policy

Agenda



- OIB Overview
- General Methodology
- CMAC/CMAC Component Rates
- Associated Rate Tables (MEPRS Based Rates)
- Mapping Table Updates
- Questions



Health Budgets
& Financial Policy



OIB Overview

- TMA UBO develops rates for each outpatient encounter, service, procedure, or supply provided within a MTF
 - Rates are billed as a line-item charge
- TMA UBO CHAMPUS Maximum Allowable Charge (CMAC) rates are developed for reimbursement in the purchased care community
 - Not comprehensive (not all CPT/HCPCS codes are in the file)
 - May not represent the actual cost of the resources consumed
 - May not be applicable to care furnished in an MTF setting



Health Budgets
& Financial Policy



OIB Overview

- Itemized charges are based on the CMAC fee schedule and other government furnished rate tables.
 - The majority of outpatient encounters are based on CMAC rates.
- Medical Expense Program Reporting System (MEPRS) data is used to calculate the average MTF operation expenses for:
 - Ambulance, Ambulatory Procedure Visit, Anesthesia, Dental and Immunization-specific rates



Health Budgets
& Financial Policy

General OIB Rate Methodology

A blue circular logo with the text "TMA Uniform Business Office" inside.

TMA
Uniform
Business
Office

- Gather inputs for rate calculations
- Data Pulls and Analysis
 - Calculate average costs for MEPRS-based rates
 - Apply to appropriate rate tables
- TRICARE data downloads
 - Perform Rate Calculations (CMAC, Non-CMAC and CMP)
- Develop rate mapping tables
- Deliverables for Review and Testing
 - Internal QA & Testing
 - Forward to TMA UBO, TPOCS and CHCS
- TMA UBO approval and Policy Letter development
- Publication and Distribution



Health Budgets
& Financial Policy

OIB Components



- CMAC & CMAC Component Rate Tables
- Dental Rates
- DME/DMS Rates
- Immunization/Injectables
- Other (APV, ED, Ambulance, Anesthesia, Rx Dispensing Fee)
- Mapping Tables (DMIS ID, Revenue, TPOCS, Modifier)



Health Budgets
& Financial Policy



CMAC Rates – Overview

- OIB Primary Rate Table – CMAC and CMAC Component
 - 91 CMAC localities
 - CMAC locality ‘300’ – TMA UBO specific and used for the national average of CONUS facilities
 - CMAC locality ‘391’ – TMA UBO specific and used for OCONUS facilities
- Codes set to \$0.00 (not available for separate reimbursement)
 - Includes telephone consults/assessments
- **2.9%** overall average percent increase from CY2009 to CY2010



Health Budgets
& Financial Policy

CMAC



Emergency Department Rates

Emergency Department (ED) Evaluation & Management Codes (99281-99285) have CMAC rates that are billed using only the institutional charge

- Mapped the five ED codes to appropriate TRICARE APC
- Mapped to the UB 04 billing form
- Due to system limitations and electronic billing requirements (e.g., 837i and 837p), the professional portion of an ED encounter is not billed
 - CHCS can not accommodate multiple rates for the same CPT/HCPCS code



Health Budgets
& Financial Policy

CMAC ED Rates – National Average



CPT Code	APC	2009 Avg Rate	2010 Avg Rate	% Difference
99281	609	52.66	53.16	0.95%
99282	613	86.14	87.85	1.99%
99283	614	136.70	140.18	2.55%
99284	615	217.91	223.17	2.41%
99285	616	323.90	329.73	1.80%



Health Budgets
& Financial Policy



CMAC Component

- Added technical charges for 94 codes that were not included in CMAC.
 - Professional component charges not provided by CMAC
 - Mapped each CPT to appropriate APC
 - Assigned TC rates based on OPPS APC rates
 - Computed global rates by combining TC and PC rates



Health Budgets
& Financial Policy

OIB MEPRS-Based Rates



- Ambulatory Procedure Visit (APV)
- Ambulance
- Anesthesia
- Dental
- Immunization-specific
- IOR/IMET (Government Discount %)



Health Budgets
& Financial Policy

Computation and Burdening Factors



Estimating CY 2010 OIB Rates

Pay raise percentage - presidential budget

	2009	2010
FY 2010 Military Pay Raise		%
FY 2010 Civilian Pay Raise		%
Government Share Unfunded	9.9%	9.9%
Military medical personnel salary expenses		4.4%
DMDC Factor	\$14	\$10
DHP Budget Growth	15.07%	12.06%

Retirement, health benefits and life insurance

Military medical personnel salary expenses

Recoup depreciation & interest costs

Percentage growth in budget



Health Budgets
& Financial Policy

MEPRS-Based Rates



Ambulatory Procedure Visits (APVs) are assigned to CPT code 99199

- Flat institutional fee based on the institutional costs of all APVs performed in a designated Ambulatory Procedure Unit (APU) divided by the total number of APVs
- **2010 APV Flat Rate is \$1,909.96**

Ambulance charges are based on units of service, in 15-minute increments

Cost to Be Recovered = MEPRS Full Rate x Time

Anesthesia

- TPOCS flat billing rate



Health Budgets
& Financial Policy



MEPRS-Based Rates

	'09 rate	'10 rate	% change
--	----------	----------	----------

Ambulance

FOR:	\$236.00	\$227.00	(3.81)%
------	----------	----------	---------

- Computation and Burdening factors account for some of the decrease
- Not providing the same level/amount of services
- Note: Ambulance is billed using A0999 (unlisted code)

Anesthesia

FOR:	\$1,162.00	\$1,257.00	7.56%
------	------------	------------	-------

- Higher cost to administer Anesthesia
- Number of times an individual can receive Anesthesia
- Note: Anesthesia codes 01953, 01968, & 01969 are set to \$ 0.00



Health Budgets
& Financial Policy

MEPRS-Based Rates

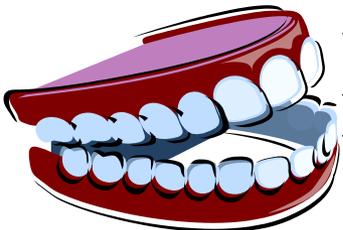


Dental charges are based on a MEPRS- based flat rate multiplied by a DoD-established weight for the American Dental Association (ADA) code representing the dental service/procedure performed

$$\text{Charge} = \text{Weight} * \text{Rate (IMET/IOR/FOR)}$$

	'09 rate	'10 rate	% change
Dental rate			
FOR:	\$102.00	\$87.00	(14.71)%

- Computation and Burdening factors account for some of the decrease



Not providing the same level/amount of services



Health Budgets
& Financial Policy

MEPRS-Based Rates



IMET/IOR rate - Government adjusted discounts for interagency cost of supplies (IOR) and direct labor for the training programs (IMET)

IMET/IOR rate

- 64/94% respectively (of the TPC or Full rate)
- No significant changes from CY 2009 to CY 2010



Health Budgets
& Financial Policy

MEPRS-Based Rates



Immunization --- separate charges are made for each immunization, injection or medication administered
– A flat rate developed using MEPRS cost data





Health Budgets
& Financial Policy



MEPRS-Based Rates

	'09 rate	'10 rate	% change
--	----------	----------	----------

Immunization (exceptions)

FOR:	\$54.00	\$48.00	(11.11)%
------	---------	---------	----------

- Computation and Burdening factors account for some of the decrease
- Not providing the same level/amount of services
 - Number of procedures being performed per source
 - Navy – no report – no record captured in corresponding MEPRS account



Health Budgets
& Financial Policy



DME/DMS Rates

DME/DMS – Durable Medical Equipment/Supplies -
allocating expenses for equipment and supplies on
hand

- Used Nov 2009 DMEPOS Fee Schedule file
 - CMS DME ‘floor rate’
- No major price variances from 2009 to 2010
- Removed secondary modifiers to adhere to CHCS and TPOCS file specifications
- Identified codes that were not in the existing rate table or set to zero
 - Set rates using Purchase Care Data



Health Budgets
& Financial Policy



Pharmacy Dispensing Fee

- UBO approved methodology used to calculate Pharmacy Dispensing Fee
 - Dispensing fee is apart of the overall charge

Charge = Dispensing Fee + Ingredient Cost

2010 Pharmacy
Dispensing Fee= \$2.00*

*New methodology for CY 2010



Health Budgets
& Financial Policy

Mapping Table Updates



- DMIS ID Mapping Table
- Modifier Mapping Table
- CPT Revenue Mapping Table
- TPOCS Mapping Table



Health Budgets
& Financial Policy

DMIS ID Mapping Table



DMIS ID - Defense Medical Information System Identifier Table is used to control medical and military facility identification and cost/workload classification.

- Four Changes to DMIS ID table that affect UBO billing
 - (see next slide)
- Mapped all OCONUS sites to “391”
- Mapped all 5400 sites to locality “000”
 - Civilian institutions which bills a facility fee
 - MHS does not have capability to bill separate outpatient professional fees.



Health Budgets
& Financial Policy

DMIS ID Mapping Table



- Change(s) to DMIS ID table that affect UBO billing
 - 1486 – BJACH TBI Clinic – Ft. Polk
 - 1487 – BJACH TBI Clinic – Ft. Riley
 - 2003 – Leavenworth VA Medical Center
 - 6102 – Premier Army Clinic – Ft. Carson



Health Budgets
& Financial Policy



Modifier Mapping Table

Modifier Mapping Table identifies the CPT/HCPCS procedure, supply, drug code, and description with appropriate modifiers.

- Includes mapping to appropriate OIB table
- Determines which modifiers are appended to which code ranges
- Updated code series and verified mapping
- Modifiers
 - Added/Updates applicable modifiers
 - Deleted obsolete modifiers
- Compared TPOCS and Modifier Mapping Tables for accuracy



Health Budgets
& Financial Policy

CPT Revenue Mapping Table



Revenue Mapping Table identifies the CPT/HCPCS procedure, supply, drug code, description and available revenue centers.

- Used source CY 2010 file from UBU for CPT and HCPCS code update
- Added/deleted/revised and provided proper revenue code designation for all active codes
- Used 510 (clinic) revenue code as default
 - In the case where no revenue centers were indicated



Health Budgets
& Financial Policy



TPOCS Mapping Table

TPOCS Mapping Table identifies the CPT/HCPCS procedure, supply, drug code, and description with appropriate modifiers.

- Includes additional information as needed to process a claim
- Specifically designed for the TPOCS billing environment
- Updated code series
 - Added / Deleted codes
 - Modifying existing code ranges
- Verified all mapping to appropriate tables
- Modifiers
 - Added/Updated applicable modifiers
 - Deleted inactive and obsolete modifiers



Health Budgets
& Financial Policy



ELECTIVE COSMETIC PROCEDURES





Health Budgets
& Financial Policy



Cosmetic Procedure Rates

- Please visit the TMA UBO website for more information on Elective Cosmetic Procedures Performed in the Military Health System: http://www.tricare.mil/ocfo/mcfs/ubo/mhs_rates/cs.cfm
- A Webinar training featuring the 2010 Elective Cosmetic Procedure Rates and changes to the Cosmetic Surgery Estimator (CSE) is available for viewing from the TMA UBO website: http://www.tricare.mil/ocfo/mcfs/ubo/learning_center/training.cfm



Health Budgets
& Financial Policy



Effective Date

CY 2010 OIB Rate Package in conjunction with Cosmetic Procedure Rates are scheduled to be effective **1 July 2010**.



Health Budgets
& Financial Policy



Contact Information

Please contact the UBO Helpdesk if you have any questions or concerns at (703) 575-5385 or UBO.helpdesk@altarum.org.