

Dec. 13, 2010

## Changes to Claims Reimbursement in 2011

This communication informs you of UCare's plan for implementing the new Resource-Based Relative Value Scale (RBRVS) reimbursement system proposed by the Department of Human Services (DHS) for Minnesota Health Care Programs (MHCP). UCare's goals for these changes are to confirm alignment of UCare's payment policy with DHS' policy, and to ensure a transition that avoids significant disruption in claims payment to providers. It is our understanding the State Register notice will be published Dec. 13<sup>th</sup>, and the DHS Provider Update will soon be forthcoming.

UCare has received communication from DHS that:

- The new RBRVS policy will be effective Jan. 1, 2011, for fee-for-service reimbursement.
- CPT/HCPCS codes will use relative value units (RVUs) in effect for CY 2011, as specified by Centers for Medicare & Medicaid Services (CMS) or Ingenix updates (for gap codes).

Please note that the change to the RBRVS affects specialty physicians; nurse practitioners; nurse midwives; mental health providers; physical, occupational, and speech therapy providers; podiatrists; chiropractors; audiologists; radiologists; and vision care providers.

In accordance with the Patient Protection and Affordable Care Act (PPACA), evaluation and management (E&M) codes and some immunization administration codes will be increased on Jan. 1, 2013 to 100% of the Medicare rate in place at that time. This action will not affect other provider payments, since Medicaid agencies are reimbursed 100% of the costs of the increase by CMS.

UCare supports this shift in DHS' policy toward stronger support for primary care, which is consistent with UCare's longstanding support for this care model. However, the change requires UCare to carefully analyze financial impacts to providers to avoid unforeseen variations from UCare's payment policy. This policy shift also requires UCare to thoughtfully implement any new rates in our claims payment system to ensure accurate and timely payment.

Given these potential impacts on you as a UCare provider, we will implement this change over a deliberate timeline. To this end, UCare will continue using the current DHS fee schedule, at least through the first quarter of 2011. UCare plans to have concentrated discussions within this time period to reach agreement on the appropriate reimbursement for our MHCP members for a prospective effective date in 2011. Your UCare contracting representative will follow this letter with additional communication.

If you have questions, please e-mail them to [providerrelations@ucare.org](mailto:providerrelations@ucare.org). This mailbox will be checked daily.

Thank you,

UCare's Provider Network Management Team