

IDAHO INDUSTRIAL COMMISSION
NEGOTIATED RULEMAKING
2nd MEETING MINUTES
of
Tuesday, June 17, 2015
700 So. Clearwater Ln., Boise, Idaho
1st Floor Conference Room

Attendees of the Healthcare Subcommittee:

Brad Street – Advantage Insurance
Teresa Cirelli - IMA
Woody Richards - Attorney Lobbyist
Paulette Boyle – State Insurance Fund
Senator Dan Schmidt (via conference phone)
Larry Tisdale - IHA

Interested Parties:

Brenda Johnson – State Insurance Fund
Carrie Velez – Idaho Neuroscience Assoc.
DeAnna Coy – St. Luke’s Hospital
Ruth Jackson-Ford – Corvel
Jana Thompson – Corvel
Nick Holstein - Corvel
Wayne Hammon – Idaho AGC

Interested Parties – cont’d:

Kathy Ball – St. Luke’s Hospital
Robyn Crosby – Primary Health
Ruth Jackson-Ford – Corvel
Ruth Fritts,
Adam Guyton – Payne West
Larry Koomler – Payne West
Dan Bowen, Attorney

Industrial Commission:

Patti Vaughn, Med Fee Analyst & Healthcare
Subcommittee Chairperson
Commissioner Tom Limbaugh
Commissioner Tom Baskin
Director Mindy Montgomery
Deputy Attorney General Blair Jaynes
Law Clerk Stephanie Butler
Public Information Specialist Dara Barney

Welcome and Introductions

Patti Vaughn, Commission Med Fee Analyst, called the meeting to order at 2:04 p.m. and led with introductions.

The following handouts were provided to the group:

(1) Agenda; (2) Meeting Minutes of 2 Jun 2015; (3) *Unofficial Copy* of IDAPA Rule 17.02.09; (4) Copies of Written Comments Submitted – Primary Health Group, Corvel and IMA List of CPT Modifiers; (5) NCCI Medical Data Report, September 2014; and (6) List of OPSS Payment Status Indicators for CY2015

Review of June 2, 2015 Meeting Minutes and Discussion Points:

Ms. Vaughn summarized some of the discussion points from the June 2, 2015 meeting as follows:

- Specialists are being reimbursed at much higher rates than primary care doctors
- WCRI Report showed Idaho ranked 2nd as having the highest fee schedule among 50 states for E/M.
- Primary physicians were asked to quantify how much above commercial WC should pay; they are also requesting a 6% increase due to reduced RVUs
- The IMA shared a list of CPT modifiers that illustrated that Modifier 22 only allows additional payment but is NOT applicable to E/M codes.

Ms. Jackson-Ford informed the group that Modifier 22 is not approved for an E/M service; it is only applied for surgical procedures. She suggested providers use CPT Code 99215 – for prolonged office visits.

Mr. Tisdale opined that the issue for Idaho is under-coding.

Ms. Vaughn indicated that CPT 99213 covers 48% of all E/M encounters; it's like a "go-to" code.

It was suggested that an evaluation of higher level codes may be appropriate.

Ms. Vaughn requested comments for proposed rules language be received at the Commission no later than July 1st. Any proposed rule language will be shared with all participating parties.

Hospitals:

Ms. Vaughn reported the new CMS changes increased payments of orthopedic procedures in our current rule language. The new J1 pays at 100%; and as the rule currently exists, the T code also pays at 100% thereby causing an inflated payment. The goal is to draft language that would put the med fee schedule in alignment with the Medicare reimbursement rates. (See the *Unofficial Copy* of the Rule, at page 5, section iii.)

Mr. Tisdale reported that he and representatives of St. Lukes met and found 11 C-APC claims for a 12 month period. IHA and St. Luke's expressed concern that the J1s cause the reimbursement amount to exceed the line item.

The question was posed: What if the charges are less than the new J1 code of the 11 C-APC claims analyzed?

Ms. Vaughn advised IHA that the Industrial Commission does not compare by line item; it considers the total charges and total calculated fee schedule amount in determining the acceptable charge.

Ms. Jackson-Ford reported that Corvel looks at the total fee billed and pays based on reasonableness standards. She expressed concern that the 2nd procedure should only get reimbursed at 50%; and should not be reimbursed higher than the 1st procedure.

- Ms. Vaughn reported that states with similar reimbursement standards white-washed their language.

It was proposed to eliminate the T and Q codes and adopt the Medicare codes, but maintain the language referencing implantable hardware.

Ms. Ball proposed where T codes are rolled into the new J1s, we discount the second T codes at 50%; and also status code Q be discounted at 50% on the same claim with a J1. She advised that CMS is headed in the direction of more and more packaged procedures.

Mr. Tisdale agreed with discounting the second T code; and also suggested that on the J1, the first T code be at 50%. He opposed eliminating the Ts completely.

Ms. Ball agreed it is a good compromise and puts it in alignment with Medicare reimbursement codes.

Consensus was reached that for the same claim the first J1 would be reimbursed at 100%; the T codes would be reimbursed at 50%; and the Q codes would be reimbursed at 50%.

Ms. Vaughn is satisfied that the issue is resolved with the proposed language; and asked for any additional comments on the hospital schedule. She informed the group that the proposed rules drafts will be shared with participants; and will also be vetted by the Commission's Advisory Committee that meets in August.

The proposed rule should publish to the Bulletin the first week in October.

Mr. Street expressed some frustration at the complexity of the rules review process. He proposed attaching the med fee schedule to the commercial rates of the Big 3 commercial insurers.

Laboratory Costs:

Ms. Johnson inquired about the lack of guidelines for the payment of laboratory costs in the med fee schedule for physicians.

Ms. Vaughn reported that CMS does not assign weights for laboratory costs. There is a lack of data to do an analysis.

Ms. Ball expressed concern about lab costs for hospital outpatient; lab services are bundled. She used HIV needlesticks as an example to demonstrate bundled lab services.

Ms. Ball suggested that E/M levels were increased to accommodate lab charges under the new G code for office visits. **St. Luke's volunteered to study what other insurance companies are paying for lab services; and submit proposed language to the Commission to address the percent reimbursement issue.**

Ms. Jackson-Ford expressed concern that facilities charge differently. She suggested reviewing Rule 18 Exhibit 8, Pathology Laboratory Maximum Fees of the Colorado fee schedule (N indicator).

Ms. Vaughn will distribute the CO Rule 18 to the participants.

Payments of IMEs:

Mr. Richards inquired of the number of WC doctors in Idaho and posed the question: Is there a shortage of WC physicians in the State that may be a contributing factor impacting the WC med fees?

Ms. Boyle opined there is a lack of IME physicians, not the number of physicians.

There was general discussion on issues related to IME exams.

Schedule of Future Meeting Date(s) and Topics of Discussion:

Consensus reached that no additional negotiated rulemaking meetings would be necessary.

Any proposed rules language should be submitted to Ms. Vaughn or to the Commission Secretary no later than July 1, 2015; and will be distributed to the interested parties.

There being no further discussion, Ms. Vaughn thanked attendees for sharing their views.

There being no further business, the meeting adjourned at 3:20 p.m.