



Health Plan
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May 7, 2007

Dear Healthcare Practitioner and Office Staff Members:

On May 1, 2007, Presbyterian (PHP) received notification from the New Mexico Medical Assistance Division advising PHP that specific codes were to be increased effective May 1, 2007. This action is intended to further distribute funds that were allocated by the Legislature for state fiscal year 2007 for provider fee increases. As you are aware, the allocated funds were paid to the managed care organizations to be disseminated to providers as a "pass-through" via an increase in the fee schedule which occurred on July 1, 2006.

The May 1, 2007 increased codes are as follows:

- Surgical CPT codes (10021 through 69990) will be set at 104% of the 2006 New Mexico Medicare Physician Fee Schedule (RBRVS)
- Radiology CPT codes (70010 through 79999) will be set at 104% of the 2006 New Mexico Medicare Physician Fee Schedule
- Laboratory and Pathology CPT codes (80048 through 89356) will be set at 100% of the 2006 New Mexico Medicare Clinical Lab Fee Schedule or 100% of the 2006 New Mexico Medicare Physician Fee Schedule
- Medicine CPT codes (90281 through 99602) will be set at 104% of the 2006 New Mexico Medicare Physician Fee Schedule
- Evaluation & Management Services (99201 through 99499) will be set at 104% of the 2006 New Mexico Physician Fee Schedule
- Drugs were set at 100% of the 2007 2nd quarter Medicare Average Sales Price Fee Schedule. Where there were no set allowables from Medicare for certain drug codes, Presbyterian used 100% of the 2007 2nd quarter Average Wholesale Price Median All Fee Schedule.

Exceptions to the above noted rates are as follows:

- New Patient Preventative Medicine CPT codes 99381 through 99385 will be set at a flat rate of \$144.00
- Established Patient Preventative Medicine CPT codes 99391 through 99395 will be set at a flat rate of \$85.92
- Inpatient Neonatal and Pediatric Critical Care Services code 99293 through 99300 will be set at 110% of the 2006 New Mexico Medicare Physician Fee Schedule
- Nursing Facility Services CPT codes 99304 through 99318 will be set at 110% of the 2006 New Mexico Medicare Physician Fee Schedule

- New Born Care Services CPT codes 99431 through 99440 will be set at 110% of the 2006 New Mexico Medicare Physician Fee Schedule
- Prenatal Care and OB Services CPT code 59400 through 59622 will be set at 110% of the 2006 New Mexico Medicare Physician Fee Schedule
- Obstetrical Ultrasound CPT codes 76801 through 76828 will be set at 110% of the 2006 New Mexico Medicare Physician Fee Schedule
- As noted in the State of New Mexico Medical Assistance Program, HSD Supplement Number 07-04, regarding increase in the amount allowed for hearing aids and hearing aid dispensing fees, which can be found at:
http://www.hsd.state.nm.us/mad/pdf_files/Supplements/REG_S_07-04.pdf
- Anesthesia Services – No Changes
- Durable Medical Equipment – No Changes

These are the only changes that are to be applied to the Presbyterian Medicaid Fee Schedule that is effective as of May 1, 2007 to exhaust our share of the appropriated funds paid to PHP by the HSD. We fully anticipate that a new Medicaid/Salud Fee Schedule will be implemented as of July 1, 2007.

For any code in which there is not a published allowable from the Medicare Physician Fee Schedule, Presbyterian used the Ingenix Fee Schedule to “gap fill” those missing allowables. The Ingenix fee schedule is very similar to the Resource Based Relative Value Scale (RBRVS), Fee Schedule. Though RBRVS was developed specifically for assigning allowables to Medicare covered services; there are some “holes or gaps”. In order to create a complete Medicaid/Salud! fee schedule, these Medicare non-covered services needed to have relative value units (RVUs) assigned. Ingenix has, whenever possible, filled these gaps using the same methodology originally used to develop the values for Medicare covered services.

The Salud fee schedules are driven by the place of service code submitted on your claim form in the following manner:

- The Presbyterian Salud Non-Facility Fee Schedule will be used when billing place of service codes 04, 11, 12, 13, 14, 15, 20, 25, 32, 33, 49, 50, 54, 55, 57, 60, 61, 62, 65, 71, 72, 81, and 99.
- The Presbyterian Salud Facility Fee Schedule will be used when billing place of service codes 03, 05, 06, 07, 08, 21, 22, 23, 24, 26, 31, 34, 41, 42, 51, 52, 53, and 56. *Services commonly performed in an office setting, when performed in a hospital based setting may be limited to 60% of the non-facility fee schedule. Radiology, laboratory, pathology, dental, and all DME HCPCS codes are not subject to the facility reduction by place of service.*
- The Presbyterian Salud Drug Fee Schedule will be used when billing with any place of service code noted above.
- The Presbyterian Salud Durable Medical Equipment Fee Schedule will be used when billing with any place of service code noted above.

For any code where there is no established allowable, PHP will review these claims and price according to procedures that are similar in nature and do have established allowables. All miscellaneous codes, i.e., E1399, 15999, etc., will need to be submitted with either an invoice or

medical records for pricing. Failure to submit an invoice or medical records will result in denial of your claim.

All of the Presbyterian Salud fee schedules can be found on the PHP Web site. You may log on to the Provider page of www.phs.org to access these Salud fee schedules as well as other vital provider information.

If you have any questions please feel free to contact me via e-mail at sttafoya@phs.org or by phone at (505) 923-8782. We appreciate your commitment to providing excellent care and service to our members. As always, thank you for partnering with us to improve the health of individuals, families, and communities.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S Tafoya', is positioned above the typed name.

Steve Tafoya
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