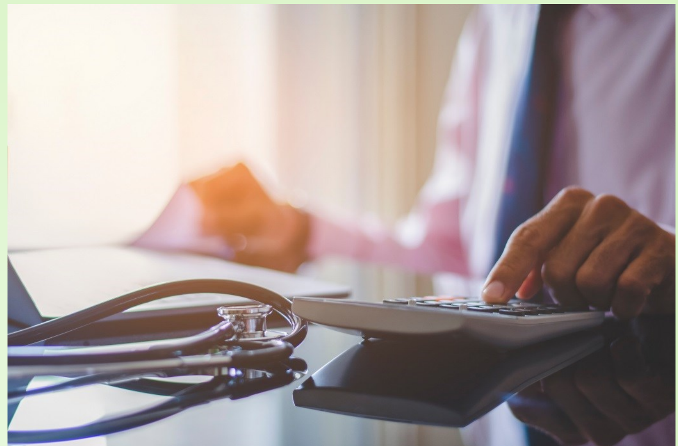
IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT202426 FEBRUARY 29, 2024

IHCP announces updates to physician reimbursement adjustment policies



The Indiana Health Coverage Programs (IHCP) is updating the physician reimbursement adjustment policies to coincide with the January 2024 Healthy Indiana Plan (HIP) Rate Equalization Project. Table 1 reflects the changes being made to practitioner, procedure-based and site-of-service adjustments. When implemented, these changes will be effective retroactive to dates of service (DOS) on or after **Jan. 1, 2024**.

For physician rate adjustments, the IHCP is moving from Indiana Medicaid policy to Medicare policies, where applicable. For areas with no Medicare policy, IHCP policy will continue to be used. Any claims submitted for DOS on or after Jan. 1, 2024, that did not receive the current adjustment will need to be reprocessed. Providers can expect to see adjustments to affected fee-for-service (FFS) claims after the system changes have been completed in the Core Medicaid Management Information System (*Core*MMIS). An additional publication will be issued regarding FFS claim adjustments.

The managed care entities (MCEs) will also need to make system changes. The following information applies to the MCEs for system change completion:

- Anthem completed changes Feb. 9, 2024
- CareSource expected to complete changes by March 7, 2024
- MDwise completed changes Jan. 23, 2024
- Managed Health Services (MHS) completed changes Jan. 29, 2024
- UnitedHealthcare (UHC) completed changes Jan. 15, 2024

Any managed care claims submitted that did not receive the current adjustment will need to be reprocessed by the MCEs. Please watch for future communications regarding this issue.

As a reminder, effective Jan. 1, 2024, IHCP physician rates have been aligned with 100% of Medicare rates, as published in *IHCP Bulletins* BT2023149, BT2023172 and BT2023150. The IHCP is using the 2023 Medicare practice expense (PE) relative value units (RVUs). The PE RVU should match the same period as the fee schedule being used (for example: Jan. 1, 2025, rates will use the 2024 Medicare PE RVUs, and will continue this way annually).

Table 1 – Office of Medicaid Policy and Planning (OMPP) rate equalization physician reimbursement adjustment policies, effective Jan. 1, 2024

	Reimbursement adjustment	Adjustment policy utilized	Adjustment policy	Additional billing guidance
1	**Practitioner Adjustments**			
1.1	Advanced practice registered nurses (APRNs) – *except for certified registered nurse anesthetist (CRNA)*	Medicare	85%	
1.2	Certified registered nurse anesthetist (CRNA)	Medicare	CRNA medically directed – 50%	Modifier QX
			CRNA not medically directed – 100%	Modifier QZ
1.3	Physician assistant	Medicare	85%	
1.4	Licensed psychologist Licensed independent school psychologist	Medicare	100%	
1.5	Licensed clinical social worker (LCSW)	Medicare	75%	
1.6	Licensed marriage and family therapist (LMFT) Licensed mental health counselor (LMHC) Licensed clinical addiction counselor (LCAC)	Indiana Medicaid	75%	
1.7	Physical therapist assistant	Indiana Medicaid	75%	Modifier HM
1.8	Speech-language pathologist aide	Indiana Medicaid	75%	Modifier HM
1.9	Cosurgeons	Medicare	62.5%	Modifier 62
1.10	Physician – assistant at surgery	Medicare	16%	Modifier 80, 81, 82
1.11	APRN – assistant at surgery	Medicare	13.6% (85% of 16%)	Modifier AS
1.12	Physician assistant – assistant at surgery	Medicare	13.6% (85% of 16%)	Modifier AS
2	**Procedure-Based Adjustment**			
2.1	Multiple surgery	Medicare	• 100% of the global fee for the most expensive procedure • 50% of the global fee for the remaining procedures	Modifier 51 **And** Indicator of “1” or “2” from the Multiple Procedure (“MULT PROC”) field of the Medicare physician fee schedule RVU file
2.2	Multiple endoscopy procedures (if all procedures are endoscopy procedures; otherwise standard multiple surgery rules apply)	Medicare	• 100% of the most expensive procedure • Difference between next highest and 3rd highest procedure	Modifier 51 **And** Indicator of “3” from the Multiple Procedure (“MULT PROC”) field of the Medicare physician fee schedule RVU file

Table 1 – Office of Medicaid Policy and Planning (OMPP) rate equalization physician reimbursement adjustment policies, effective Jan. 1, 2024 (Continued)

	Reimbursement adjustment	Adjustment policy utilized	Adjustment policy	Additional billing guidance
2.3	Bilateral surgery	Medicare	150%	No modifier if inherently bilateral (procedure is identified by terminology as bilateral) **Or** Modifier 50 if not inherently bilateral
3	**Site-of-Service Adjustments**			
3.1	Site-of-service payment adjustment	Medicare	• Medicare facility PE RVUs • Medicare POS codes (See *Place of service codes* section for listing.)	Medicare physician fee schedule PE RVUs and Medicare POS codes

Place of service codes

The following POS codes are used for Medicaid and Medicare site-of-service adjustments:

- Medicaid POS codes
  - ⇒ 19 Off campus – outpatient hospital
  - ⇒ 22 On campus – outpatient hospital
  - ⇒ 23 Emergency room
  - ⇒ 62 Comprehensive outpatient rehabilitation facility
- Medicare POS codes
  - ⇒ 02 Telehealth
  - ⇒ 19 Outpatient hospital-off campus
  - ⇒ 21 Inpatient hospital
  - ⇒ 22 Outpatient hospital – on campus
  - ⇒ 23 Emergency room – hospital
  - ⇒ 24 Ambulatory surgical center (ASC)
  - ⇒ 26 Military treatment facility
  - ⇒ 31 Skilled nursing facility (SNF)
  - ⇒ 34 Hospice
  - ⇒ 41 Ambulance – land
  - ⇒ 42 Ambulance – air or water
  - ⇒ 51 Inpatient psychiatric facility
  - ⇒ 52 Psychiatric facility – partial hospitalization
  - ⇒ 53 Community mental health center
  - ⇒ 56 Psychiatric residential treatment center
  - ⇒ 61 Comprehensive inpatient rehabilitation facility

QUESTIONS?

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