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Fee Schedule comparison--MaineCare 2007

HCPCS	2007 Transitioned Non-facility Total RVU	2007 MaineCare	2007 Medicare-- loc 3 (York, Cumberland County)	2007 Medicare-- loc 99 (Rest of Maine)	% Difference (loc 3)	% Difference (loc 99)	Anthem 07/06 (49.30 CF)
99213	1.66	28.94	59.45	56.03	48.68%	51.65%	81.84
99212	1.02	19.85	36.62	34.02	54.21%	58.35%	50.29
99214	2.52	42.50	90.04	84.99	47.20%	50.01%	124.24
93000	.67	19.18	24.46	22.20	78.41%	86.40%	33.03
99211	.55	13.17	20.14	18.36	65.39%	71.73%	27.12
99215	3.42	60.38	121.61	115.16	49.65%	52.43%	168.61
99203	2.56	48.45	91.41	85.98	53.00%	56.35%	126.21
90772	.53	9.06	19.37	17.69	46.77%	51.22%	26.13
99202	1.73	32.56	61.87	58.02	52.63%	56.12%	85.29
95115	.37	7.29	13.92	12.24	52.37%	59.56%	18.24
69210	1.27	24.25	45.47	42.54	53.33%	57.01%	62.61
95165	.28	4.76	10.20	9.19	46.67%	51.80%	13.80
99204	3.92	68.76	138.94	131.72	49.49%	52.20%	193.26
20610	1.88	34.28	67.18	62.46	51.03%	54.88%	92.68
17000	1.73	29.93	63.44	58.24	47.18%	51.39%	85.29
99308	1.49	28.60	52.35	50.18	54.63%	56.99%	73.46
11641	5.46	99.91	198.38	183.08	50.36%	54.57%	269.18

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Legal Implications for Physicians of Hospital Employment

I. Incentives and Disincentives of Employment

A. Incentives

1. Cost-based reimbursement for Medicaid and Medicare if “provider based” 42 USC §413.65
2. Relief from administrative hassles of running a private practice
3. For FQHC’s, liability protection under Federal Tort Claims Act
4. Security of a salary

B. Disincentives

1. Loss of ownership and control
2. Income subject to terms of employment and subject to change
3. Limits on professional judgment re: referrals, labs, etc.
4. Job security

II. Public Policy Implications of Physician Employment

A. Increase in costs to Medicaid/Medicare

1. Through “provider-based” reimbursement
2. Through inefficiencies

B. Loss of choice between private practice/employment, for physicians and patients

C. The death of private practice; any quality implications?

D. Decrease in competition

III. Requirements of “Provider-based” Entities

A. Under the same name, ownership, and administrative and financial control of the main provider 42 USC §413.65(a)(2)

B. Operate under same license

B. Clinical services must be integrated between the hospital (main provider) and medical practice (“provider-based entity”)

1. Professional staff must have clinical privileges at the hospital
2. Hospital must maintain the same monitoring and oversight of the practice as it does for any other department of the hospital

3. The medical director of a practice must maintain a reporting relationship with the chief medical officer (CMO) of the hospital that has the same frequency, intensity, and level of accountability that exists between the CMO and the medical director of a department of a hospital.
4. Hospital and medical staff committees are responsible for the medical activities of the practice, including quality assurance, utilization review, etc.
5. Medical records for patients treated in the practice are integrated into a unified retrieval system with the hospital (or cross-referenced)
6. Integration of practice services with inpatient and outpatient services of hospital
7. Financial integration
8. Public awareness: The practice is held out to the public and other payers as part of the hospital. "When patients enter the provider-based facility, they are aware that they are entering the hospital and are billed accordingly"
9. Additional requirements if "off-campus"

IV. Environment in Maine

- A. Continued movement toward employment, both in primary care and specialty practices.
- B. Not all hospital-owned practice are "provider-based."

V. Causative Factors

- A. Low Medicaid reimbursement
- B. Lower than average Medicare reimbursement
- C. Administrative hassles
- D. Poor MaineCare (Medicaid) administration (MECMS)
- E. Complexities of delivery and financing systems