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Provider Reimbursement – Out of Network Fee Schedules



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Network Management Policy Manual – CMS30

Provider Reimbursement – Out of Network Fee Schedules

I. Purpose

To develop, implement and maintain Out-Of-Network ("OON") fee schedules consistent with Plan benefit certificates.

II. Scope

This policy documents the appropriate methodology and timing of OON fee schedules for Commercial, FEP, and SHP lines of business (segments).

III. Definition

NA

IV. Policy

1. OON fee schedules will be developed and maintained for all provider types based upon the table listed below:

Provider Type	Reimbursement Method	Responsible Party	Update Cycle
Hospital: Non-Surprise Billing	Percent of Charge	Director, Network Pricing & Expense Analysis	Annually. January
Hospital: Surprise Billing	Fee Schedule	Director, Network Pricing & Expense Analysis	QPA Annually, January
Physician / Professional: Non-Surprise Billing	Fee Schedule	Director Network Pricing & Expense Analysis	Annually. April

Physician / Professional: Surprise Billing	Fee Schedule	Director Network Pricing & Expense Analysis	QPA Annually. January
Ambulatory Surgery Center	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	Annually: January
Reference Laboratory	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Home Health	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Home Infusion Therapy	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Private Duty Nursing	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Home Durable Medical Equipment	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	Annually: April
Hospice Service	NA	NA	NA
Dialysis Facility	Statewide Fee Schedule	Director Network Pricing &	NA

		Expense Analysis	
Skilled Nursing Facility	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Specialty Pharmacy Services	NA	NA	NA
Residential Mental Health and Substance Abuse Services	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Birth Center Services	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Lithotripsy Services	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	Annually: January
Licensed Dietitian Nutritionist Services	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	NA
Opioid Treatment Programs	Statewide Fee Schedule	Director Network Pricing & Expense Analysis	Annually: January

V. Monitoring

N/A

VI. Procedure

The responsible party will develop the fee schedule (pursuant to the methodology listed below) and forward to the Director Network Pricing and Expense Analysis for approval and then to the Manager Provider Network Pricing and Expense Analysis for implementation.

Provider Type	Service Type	Calculation Methodology
Hospital: Non-Surprise Billing	Inpatient	Peer Group Total Inpatient Allowed/Peer Group Total Inpatient Billed
Hospital: Non-Surprise Billing	Outpatient	Peer Group Total Outpatient Allowed/Peer Group Total Outpatient Billed
Hospital: Surprise Billing	All	Qualifying Payment Amount (QPA) for services is a fee schedule generally based on the median contracted rate provided in the same insurance market, similar provider specialty, and in the same geographic region.
Physician/ Professional: Non-Surprise Billing	All	100% of current year non-facility negotiable pricing sources and standard non-negotiable rate
Physician/ Professional: Surprise Billing	All	Qualifying Payment Amount (QPA) for services is a fee schedule generally based on the median contracted rate provided in the same insurance market, similar provider specialty, and in the same geographic region.

Ambulatory Surgery Center	All	100% of Statewide Fee Schedule
Reference Laboratory	All	Statewide Fee Schedule
Home Health	All	Statewide Average allowed per visit, with annual update for current Non Routine Home Health Supplies
Home Infusion Therapy	All	Statewide Fee Schedule
Private Duty Nursing	All	Statewide Average allowed per service
Home Durable Medical Equipment	All	Statewide Fee Schedule
Hospice Service	All	Not currently administered due to administrative considerations
Skilled Nursing Facility	All	Statewide Average allowed per service
Specialty Pharmacy Services	All	NA
Residential Mental Health and Substance Abuse Services	All	Statewide Average Allowed Per Day
Birth Center Services	All	Statewide Average allowed per service
Lithotripsy Services	All	Statewide Average Allowed Per Code
Licensed Dietitian Nutritionist Services	All	Statewide Fee Schedule

Dialysis Facility	All	Statewide Average Allowed as a bundled rate
Opioid Treatment Programs	Outpatient	100% of current year NC Medicare MLN for OTP locality

The Manager, Network Pricing and Expense Analysis, or appropriate designee, will load the pricing for each impacted Provider or Provider Type.

A. Methodology Detail

1. Hospital Inpatient and Outpatient (Non-Surprise Billing)
 - a. Divide hospitals into pre-determined peer groups.
 - b. Based on the July-June time frame, calculate the percentage based on the criteria above.
2. Physician/Professional (Non-Surprise Billing)
 - a. Standard 08-Strategy fee schedule 100% of current year non-facility pricing sources for all negotiable categories. Standard non-negotiable codes priced at current year pricing source. Non-negotiable codes updated yearly with current year pricing source.
3. Ambulatory Surgery Center
 - a. 100% of Statewide Fee Schedule.
4. Dialysis Facility
 - a. Identify all in-network Dialysis Facilities (peer group).
 - b. Determine the average allowed for the peer group based on a bundled rate (inclusive of hemodialysis, labs, supplies, drugs).
 - c. Set the out-of-network Dialysis Facility allowed to the peer group bundles average for all services. Labs or drugs that are payable outside the bundle (requiring AY modifier) will be paid according to the base laboratory and drug fee schedule (s).

5. Residential Mental Health and Substance Abuse Services
 - a. 100% of Statewide Fee Schedule.
6. Lithotripsy Services
 - a. Identify all in-network non-hospital Lithotripsy Service providers (peer group).
 - b. Determine the average allowed per procedure for the peer group.
 - c. Set the out-of-network Lithotripsy Service allowed amount to 100% of the peer group average.
7. Reference Laboratory
 - a. Statewide Fee Schedule.
8. Home Health
 - a. Identify all in-network Home Health Providers (peer group).
 - b. Determine the average allowed per day for the peer group.
 - c. Set the out-of-network Home Health Provider allowed amount to 100% of the peer group average.
9. Home Infusion Therapy
 - a. Statewide Fee Schedule.
10. Private Duty Nursing
 - a. Identify all in-network Private Duty Nursing Providers (peer group).
 - b. Determine the average allowed per service for the peer group.
 - c. Set the out-of-network Private Duty Nursing Provider allowed amount to 100% of the peer group average.
11. Home Durable Medical Equipment
 - a. Statewide Fee Schedule.

12. Hospice Service
 - a. Not currently administered due to administrative considerations.
13. Skilled Nursing Facility
 - a. Identify all in-network Skilled Nursing (peer group).
 - b. Determine the average allowed per bundled service for the peer group.
 - c. Set the out-of-network Skilled Nursing Facility Providers allowed amount to 100% of the peer group average.
12. Specialty Pharmacy Services
 - a. NA.
13. Birth Center Services
 - a. Identify all in-network Birth Centers (peer group).
 - b. Determine the average allowed per bundled service for the peer group.
 - c. Set the out-of-network Birth Center Provider allowed amount to 100% of the peer group average.
14. Licensed Dietitian Nutritionist Services
 - a. Statewide Fee Schedule.
15. Opioid Treatment Programs
 - a. 100% of current year NC Medicare MLN for OTP locality.

VII. Forms

N/A

Details

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