

Dear INSERT NAME:

To summarize our conversation, CareFirst's claims auditing software, ClaimsXten, uses the physical therapy (PT) multiple procedure payment reduction edit when auditing PT claims. The edit is based on the Centers for Medicare and Medicaid Services' (CMS) multiple procedure payment reduction formula that reduces the practice expense part of the payment.

Just like CMS, CareFirst applies a 50 percent payment reduction for non-facility practice expense relative value units (RVU) for second and subsequent services for the same patient on the same day.

The codes impacted by this edit are listed in the chart below.

| Impacted Codes | | | | | | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|
| 92507 | 92597 | 97022 | 97035 | 97140 | 97166 | 97542 | G0283 |
| 92508 | 92607 | 97024 | 97036 | 97150 | 97167 | 97750 | G0329 |
| 92521 | 92609 | 97026 | 97110 | 97161 | 97168 | 97755 | |
| 92522 | 96125 | 97028 | 97112 | 97162 | 97530 | 97760 | |
| 92523 | 97012 | 97032 | 97113 | 97163 | 97533 | 97761 | |
| 92524 | 97016 | 97033 | 97116 | 97164 | 97535 | 97763 | |
| 92526 | 97018 | 97034 | 97124 | 97165 | 97537 | G0281 | |

Disclaimer – These codes are still subject to the member benefits, policies and procedures and may not be covered.

Pay percent for services is calculated by following these steps:

1. The current CMS non-facility practice expense RVU + work RVU + malpractice RVU = Total non-facility RVU
2. 50 percent of the non-facility practice expense RVU + work RVU + malpractice RVU = new total non-facility RVU
3. Divide the new total non-facility RVU by the total non-facility RVU

Below are examples of how the calculation can affect different claim scenarios:

| Example | Code | Unit | Claim Input | | | | | Claim Output | | | | |
|---------|-------|------|-------------|--------|-----------|--------------|------|--------------|--------|-----------|--------------|-------------|
| | | | Work RVU | MP RVU | NF PE RVU | Total NF RVU | Rank | Work RVU | MP RVU | NF PE RVU | Total NF RVU | Pay Percent |
| 1 | 97112 | 1 | 0.5 | 0.02 | 0.47 | 0.99 | 1 | 0.5 | 0.02 | 0.47 | 0.99 | 1.000 |
| | 97110 | 1 | 0.45 | 0.02 | 0.4 | 0.87 | 2 | 0.45 | 0.02 | 0.2 | 0.67 | 0.770 |
| 2 | 97110 | 1 | 0.45 | 0.02 | 0.4 | 0.87 | 2 | 0.45 | 0.02 | 0.2 | 0.67 | 0.770 |
| | 97012 | 1 | 0.25 | 0.01 | 0.16 | 0.42 | 3 | 0.25 | 0.01 | 0.08 | 0.34 | 0.810 |
| | 97530 | 1 | 0.44 | 0.02 | 0.69 | 1.15 | 1 | 0.44 | 0.02 | 0.69 | 1.15 | 1.000 |
| 3 | 97140 | 1 | 0.43 | 0.01 | 0.35 | 0.79 | 2 | 0.43 | 0.01 | 0.175 | 0.615 | 0.778 |
| | 97035 | 1 | 0.21 | 0.01 | 0.16 | 0.38 | 3 | 0.21 | 0.01 | 0.08 | 0.3 | 0.789 |
| | 97533 | 1 | 0.48 | 0.02 | 0.47 | 0.97 | 1 | 0.48 | 0.02 | 0.47 | 0.97 | 1.000 |
| 4 | 92507 | 1 | 1.3 | 0.05 | 0.87 | 2.22 | 2 | 1.3 | 0.05 | 0.435 | 1.785 | 0.804 |
| | 92521 | 1 | 1.75 | 0.07 | 1.41 | 3.23 | 1 | 1.75 | 0.07 | 1.41 | 3.23 | 1.000 |
| 5 | 97016 | 1 | 0.18 | 0.01 | 0.26 | 0.45 | 2 | 0.18 | 0.01 | 0.13 | 0.32 | 0.711 |
| | 97162 | 1 | 1.2 | 0.05 | 1.13 | 2.38 | 1 | 1.2 | 0.05 | 1.13 | 2.38 | 1.000 |

Key

Work RVUs = RVU for the physician work in the service as published in the Federal Register Fee Schedule for Physicians Services.
 Malpractice (MP) RVUs = RVU for the malpractice expense for the service as published in the Federal Register Fee Schedule for Physicians' Services.
 Non-facility Practice Expense (NF PE) RVUs = RVU for the resource-based practice expense for the non-facility setting, as published in the Federal Register Fee Schedule for Physicians Services.

Additionally, I have attached a fee disclosure document which details how the pay percent edit is applied. If you have additional questions, please don't hesitate to contact me.

Signature