



MEDICAL MUTUAL OF OHIO[®]

Your healthcare partner since 1934

PROFESSIONAL PROVIDER PAYMENT METHODOLOGY

FEE SCHEDULE AMOUNT

The maximum reimbursement allowed by Medical Mutual for a Covered Service is based on factors, including but not limited to the following: (1) the actual amount billed by a Provider for a given service; (2) Centers for Medicare and Medicaid Services Resource Based Relative Value Scale (RBRVS); (3) other fee schedules; (4) input from participating Professional Providers; and wholesale prices (where applicable). The level of reimbursement for remaining less frequent procedures is calculated as a percent of Medicare based on RBRVS and conversion factors established by analysis of various financial and statistical indicators. Reimbursement to a Provider for rendering a Covered Service is the lesser of the Provider's fee or the fee schedule amount.

MEDICAL POLICY EDITS

Medical Policy is the application of nationally recognized medical necessity criteria to develop standard coding/billing guidelines and reimbursement policies for processing and paying professional provider claims. These processing rules apply to CPT-4 (including Category II and Category III), HCPCS and ASA (Anesthesia) codes based on the date of service. The potential results of the Medical Policy edits are:

- allow coverage for the service; or
- deny coverage for the service; or
- suspend automated processing of the service for manual review; or
- reduce the allowed amount for the service.

This global file works in conjunction with appropriate benefit files to perform the following tasks:

- **Correct coding** — Each code edits for Column 1 / Column 2 (Component / Comprehensive) and mutually exclusive code combinations. The code combinations are categorized based upon whether or not a CPT modifier is considered eligible to bypass the edit. Also, each code is edited to determine if the code has been unbundled; this editing ensures that individual components of a complete service are not fragmented.

SOURCE — Centers for Medicare and Medicaid Services Correct Coding Initiative
UPDATED — Quarterly, where applicable

- **General processing:**
 - A. Basic validation edits — Each code is reviewed to determine whether the place of service (POS), type of service (TOS), age, gender and provider specialty are appropriate for the billed service.
 - B. Coverage edits — Each code is processed through code specific guidelines to review for cosmetic or experimental/investigative services, incompatible diagnosis, Corporate Medical Policy conflict and excessive procedure frequency.

SOURCE — Centers for Medicare and Medicaid Services National Coverage Determinations and Local Coverage Determinations; CPT coding guidelines; Centers for Medicare and Medicaid Services National Physician Fee Schedule Relative Value Guide Database
UPDATED — Annually, where applicable

- **Global surgical reimbursement** — Medical care provided during the pre-operative or postoperative period is considered included in the global reimbursement for the surgical procedure.

SOURCE — Centers for Medicare and Medicaid Services National Physician Fee Schedule Relative Value Guide Database

UPDATED — Annually, where applicable

- **Multiple surgical procedure cutback** – Primary procedure is allowed at 100% of the fee schedule amount and all subsequent surgical procedures performed on the same date of service are allowed at 50% of the fee schedule amount. If two or more lower extremity procedures are performed, the procedure with the highest fee schedule amount is allowed at 100%, the two procedures with the next highest fee schedule amounts are allowed at 50% and all other procedures are allowed at 25% of their respective fee schedule amounts.

SOURCE — Centers for Medicare and Medicaid Services National Physician Fee Schedule Relative Value Guide Database and Medical Mutual of Ohio Certificate of Coverage

UPDATED — Annually, where applicable

With questions or for further information on Payment Methodology, please contact your contracting representative.

For more information regarding Medical Policies, refer to the *Tools and Resources* tab within the *Provider Section*.