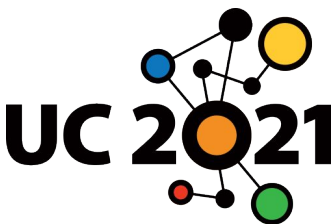


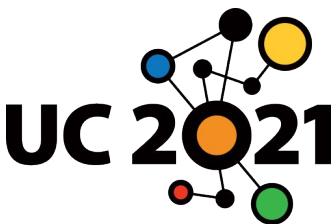
Get Your Prices Right for 2021!

Chip Hart
Director of Pediatric Solutions



Session Goals

1. Learn how every payor uses RBRVS to set their prices.
2. Understand why understanding RBRVS is vital in 2021.
3. Learn how to update your prices.



How Do You Set Your Prices Now?

"Don't tell, but I called down the street."

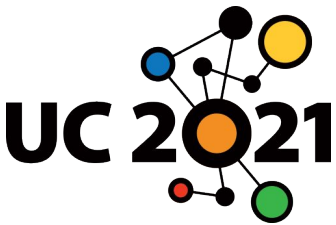
"I asked on one of the mailing lists I'm on."

"It just seemed like the right price."

"It's a little more than they charge across town."

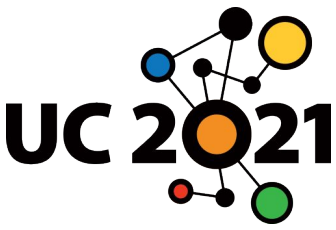
"I found a copy of one of our fee schedules and added a few bucks."

"Magic Eight Ball®."



RBRVS – Resource Based Relative Value System

- Medicare needed a system to allow the gov't to plan a budget each year
- Method to quantify the value and price of every procedure while adjusting for geographic location
- Government implemented system on Jan 1, 1992
- Relative Value Unit is assigned to every CPT code
- All public and private payors use components of Medicare RBRVS to reimburse physicians.



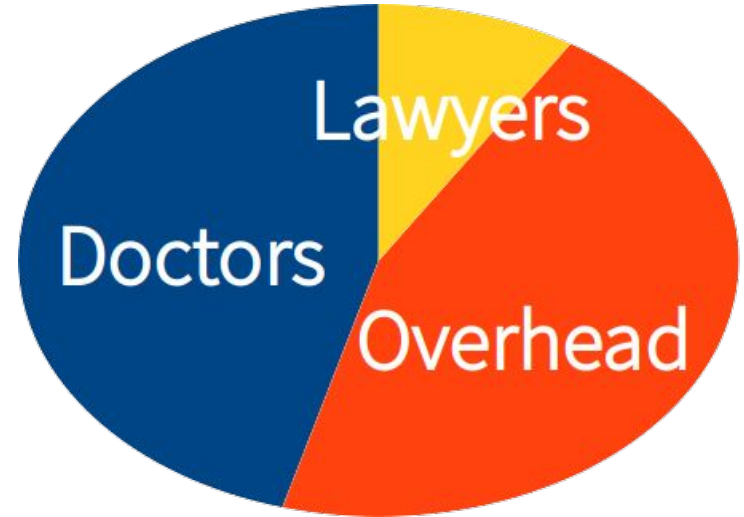
MAJOR CHANGE IN 2021



Components of the RVU

Value for each procedure is based on three components:

- Physician work (~46%)
- Practice expense (~45%)
- Professional liability expense (~9%)

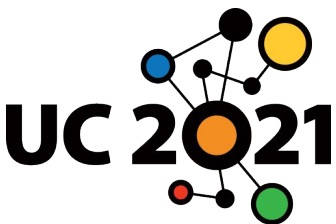


GPCI – Geographic Practice Cost Index

Costs associated with practicing in Hollywood, CA are much different from costs for practicing in, say, Hollywood, FL.

Geographic adjustment is made to each component of an RVU.

Locality	Work	Practice	Malpractice	Estimated Relative Value	Difference 2017-21
National	1	1	1	-	-
ALABAMA	1	0.888	0.921	94.09%	+1.43%
CA, NAPA	1.044	1.22	0.504	111.31%	-2.68%
FL, MIAMI	1	1.023	2.629	107.1%	-0.04%
VERMONT	1	1.001	0.569	98.5%	-0.71%
VIRGIN ISLANDS	0.998	1.008	0.986	100.35%	+0.08%



Calculating An RVU Value

2019 RVU Value of 99213 for a practice in New Mexico

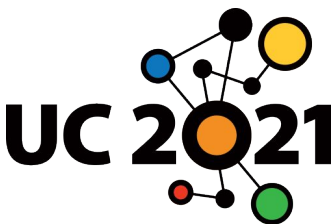
(Work RVU * Work GPCI) +	(1.300 * 1) +
(Practice Expense RVU * PE GPCI) +	(1.120 * 0.896) +
(Malpractice Expense RVU * ME GPCI) =	(0.117 * 1.166) =
TOTAL	2.5366 RVUs



Medicare Conversion Factor

National value used to convert procedure RVU values into payments.
Medicare reimbursement amount for 1 RVU. Updated annually.

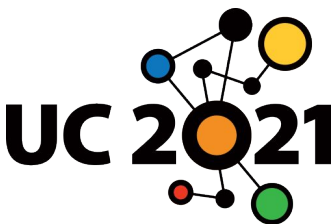
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
CF	\$34.02	\$35.82	\$35.75	\$35.63	\$35.89	\$35.99	\$36.05	\$36.09	\$34.89



Translate to Payment

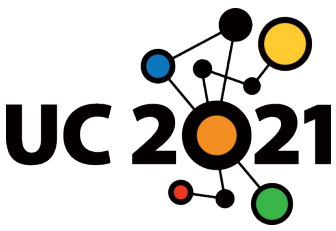
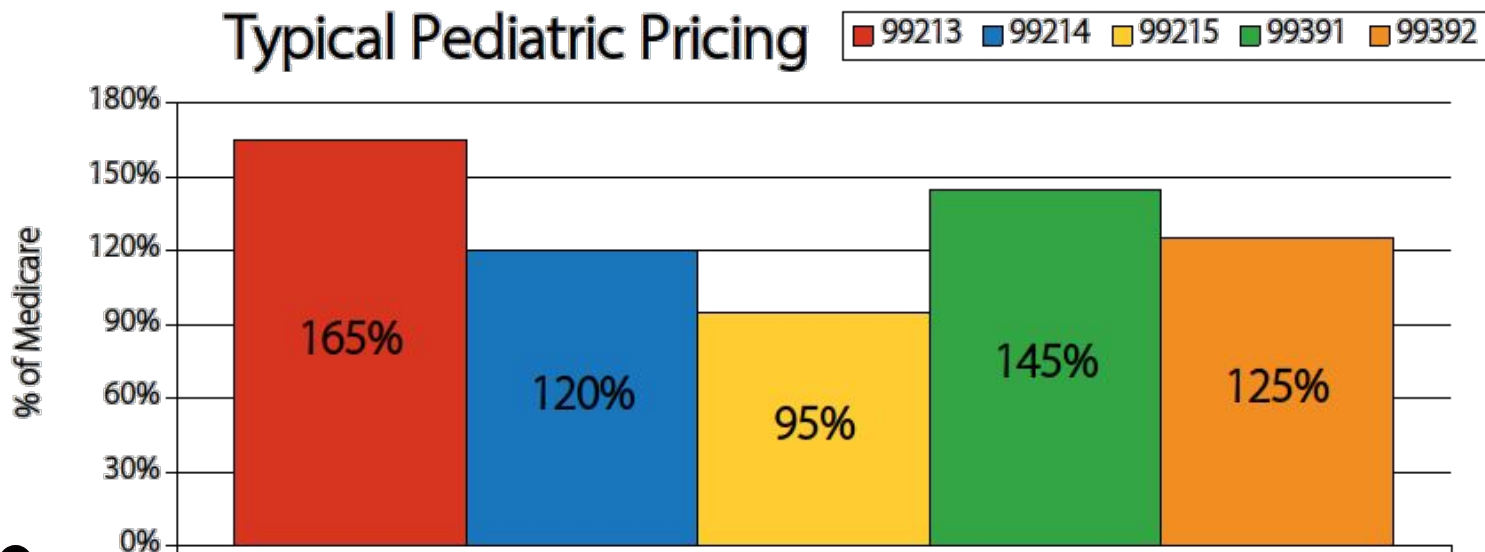
Multiply RVU value by Medicare conversion factor to calculate Medicare \$ value.
Annual 99213 value for a “NY, Rest of” practice:

Year	2014	2015	2016	2017	2018	2019	2020	2021
CF	\$35.82	\$35.75	\$35.63	\$35.89	\$35.99	\$36.05	\$36.09	\$34.89
99213 Value	2.04	1.97	1.98	1.98	1.97	2.01	2.03	2.57
Medicare Value	\$73.08	\$70.44	\$70.86	\$71.22	\$70.85	\$72.41	\$73.37	\$89.64



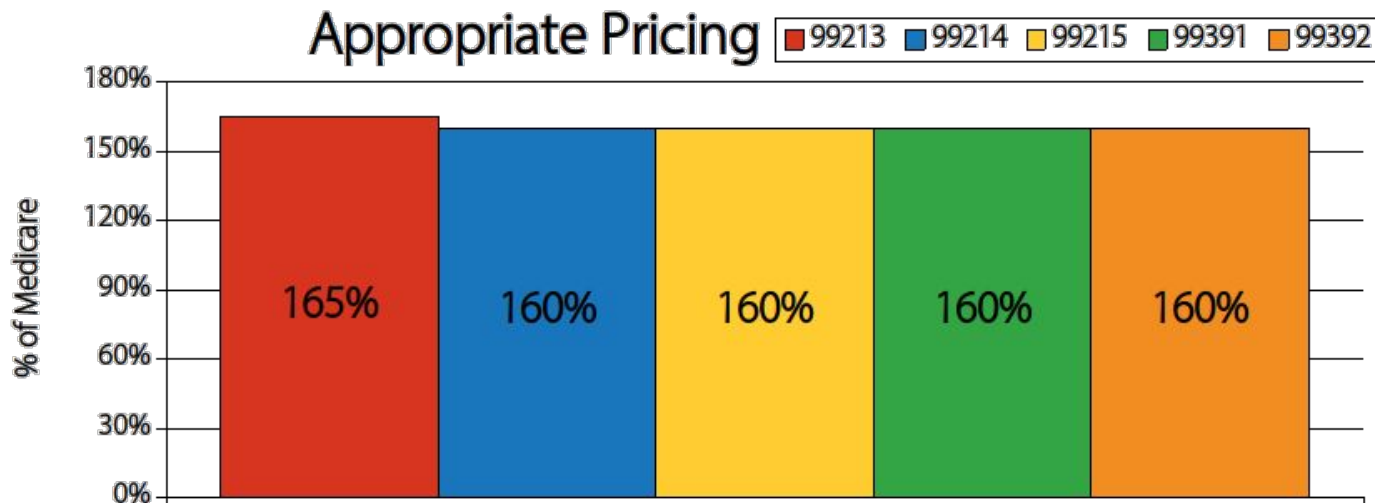
Appropriate RBRVS Multiplier

OK, that's the system ... but how should I set my pricing?



Appropriate RBRVS Multiplier

Pick the pricing level that's right for your practice ... **and don't go under it.**

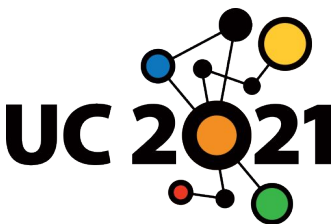


Setting Your Price

Pick a year and an appropriate multiplier, then set your price based on the Medicare value for that year.

Example based on 2021 RVU values for Connecticut.

CPT Code	Medicare Value	Your Multiplier	Your Price
99212	\$61.16	160%	\$97.86
99213	\$98.89	170%	\$168.11
99214	\$140.12	180%	\$252.21
99215	\$195.23	190%	\$370.94
99391	\$107.97	200%	\$215.93
90460	\$18.53	210%	\$38.91



Pediatric Pricing Benchmark

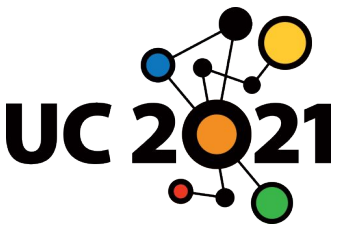
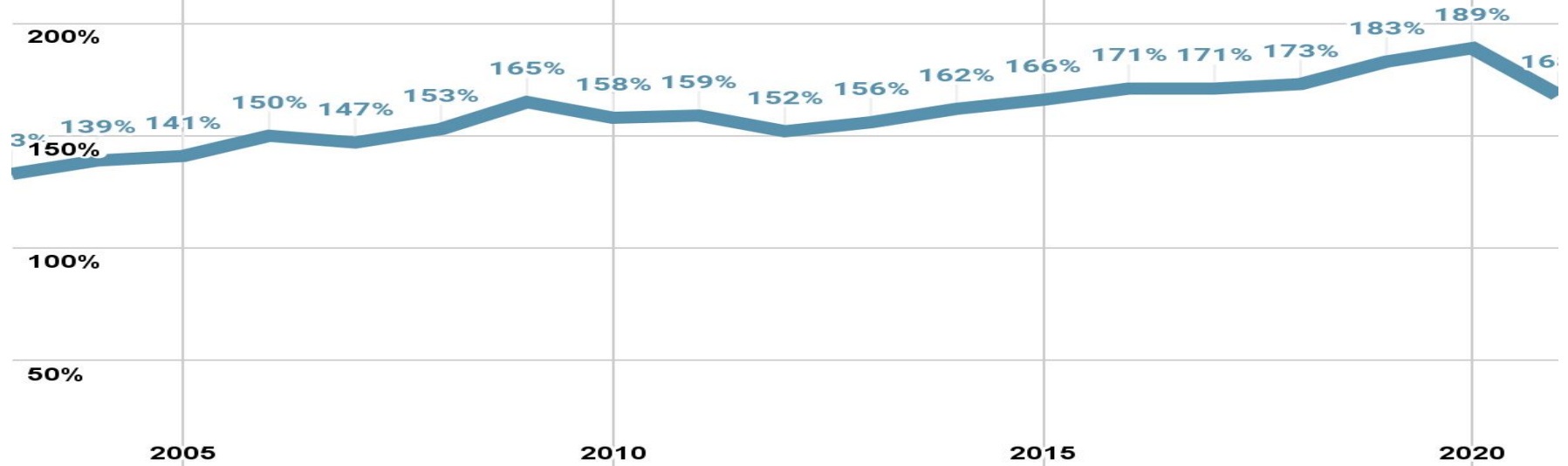
Year	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
2020	155%	172%	195%	214%	244%
2021	141%	161%	180%	195%	210%

This is why your pricing is so important this year!



Pediatric Pricing Benchmark

PCC Client Relative Pricing



Why Don't My Numbers Match

- From 2009-2012 the Feds used a “Budget Neutrality” adjustment that should not be used for private payors - 5% is the magic number.
- The carrier may be using a different year than you expect.
- The carrier may be using a different location than you expect.
- The carrier may not be doing good math. Shocking.
- The carrier may not be paying you the agreed amounts. Shocking.



Review: Why RBRVS?

- It's the standard. Your contracts are based on them even if it's not specified.
- With HSAs and HDHPs, practices are going to need a system that substantiates their worth.
- With PCC's RVU calculators, it's fast and easy.
- It allows you to compare your practice to others.
- It is potentially an effective provider productivity measurement.
- **Most of all: it's guaranteed to increase your income, if only a little.**



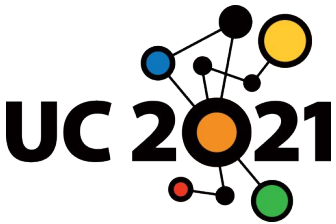
OK, How Do I Do All The Math?

<https://chipsblog.pcc.com/free-2021-rvu-calculator>

[Google: "free and legal rvu calculator"]

PCC clients:

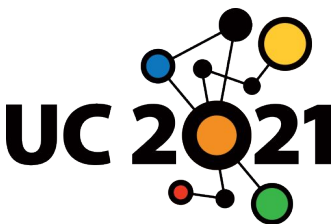
SRS Reports -> RVU Reports -> Pricing Analysis



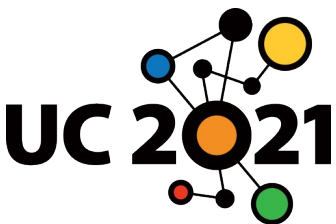
Why Does This Matter So Much Now?

Using 150% of 2020 Medicare for a contract that pays 100% of Medicare or 70% of charges.

Year	99213	100% of Medicare	70% of Charges	Your Payment
2020	\$122	\$82	\$86	\$82
2021	\$122 (2021 - \$143)	\$99	\$86	\$86



Now We Argue!



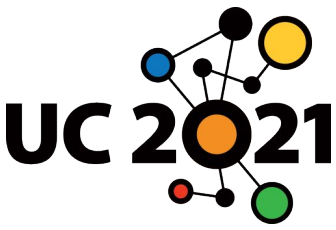
Session Takeaways

1. Update your pricing once a year, at least.
2. Check your fee schedules constantly.
3. Time to fight locally and nationally to get the same RVU benefit that the other specialties get.



What Questions Do You Have?

Questions posted in the Socio will be read aloud by moderator for the presenter to answer. Please post your questions in Socio now.



Later Viewing

This and all other UC2021 course recordings will be available for later viewing through Socio

