Fee Schedule Update Policy
For Medica Commercial, SelectCare, and LaborCare Contracted Clinics

This Medica fee schedule update policy applies to Medica network clinic providers for most Medica commercial plans, including Medica SelectCare℠ and LaborCare®. It does not apply to government programs products, ancillary providers, or pharmacies. This policy also does not apply to coverage or reimbursement policies as described in the Administrative Requirements section of Medica clinic contracts (changes to which are communicated in the Medica Connections provider newsletter and/or Provider Alerts, which are available at medica.com).

The Medica fee schedule update policy is applicable to the Medica payment update process for rate assignment on procedures/services included within participating provider-contracted fee schedules (as billed and processed/determined as eligible on a CMS-1500 form or electronically using an 837P claim transaction).

This policy provides general information regarding the Medica process for updating its clinic fee schedules for the following areas:

- Reimbursement for codes without an assigned fee maximum
- Reimbursement adjustments for defined CPT/HCPCS modifiers
- The Medica approach on the frequencies in which refreshed/newer rate sourcing information and availability such as Centers for Medicare and Medicaid Services (CMS) relative value units (RVUs) or community rate-sourcing information for services without an assigned RVU value (e.g., injectable drugs, immunizations, supplies, various laboratory testing procedures) are applied during a provider’s contract period.

The Medica provider contract language is intended as the primary source of reimbursement terms and dictates overall reimbursement methodology. Premier network fee schedules are generally updated once per year based on Medica senior management review and approval. Below are Medica policies as they relate to these Premier fee schedule updates:

- Fee schedules are generally updated once per year or as dictated by the provider contract on the timeframe cycles specified.
- RVU values are based on the RVU year designated in the provider contract (the “Assigned RVU Year”) and available at the time of fee schedule renewal and/or agreed upon by Medica and providers. Subsequent releases by CMS for the same RVU values (e.g., “re-releases,” quarterly revisions) are generally not applied until the next annual update.
- Clinic fee schedules are updated using the Assigned RVU Year values multiplied by one or more contracted conversion factors.
- For clinic fee schedules utilizing Assigned RVU Years, codes without an RVU established in the Assigned RVU Year but for which an RVU value is in place at the time of a Contract Year (e.g., new codes), such RVUs are calculated using the RVU values in place at the time of fee schedule implementation or renewal and one or more contracted conversion factors. For example, for providers contracted using 2014 Assigned RVU Year values for 2015 dates of service, the fee schedule is calculated based on 2015 RVU values for those codes that did not have an established RVU value in the Assigned RVU year (2014).
- Quarterly CMS RVU revisions or additions occurring mid-contract cycle are not applied.
• For CPT/HCPCS codes without an assigned RVU, payment is calculated based upon Medica’s non-RVU payment schedule and/or any additional factors as designated by the provider contract.
• For a listing of Medica CPT/HCPCS modifier adjustment percentages and the professional/technical splits, refer to the following resources:
  - Medica Reimbursement Policy Modifier Reference Guide
  - Medica Professional/Technical Split Percentages

Effective October 1, 2014 Medica Medicare professional/technical splits will be more closely aligned with CMS. In order to obtain a copy of the revised Medica Medicare fee schedule, find it at Medica.com by logging into Electronic Transactions or request a copy through your contract manager.

Note: Medica standard pro/tech split adjustments do not always match the CMS adjustment for health services.

Effective: 01/01/2012
Revisions Updates: 01/01/2016
  01/01/2015
  10/01/2014
  01/01/2014
  01/01/2013