

Reimbursement Analysis Spreadsheet

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A few years ago, our practice was looking for a better way to analyze reimbursement schedules proposed by various managed care plans. We wanted a tool that would allow us to obtain an accurate estimate of how the insurance plan would reimburse overall compared to our fee schedule. We also wanted a tool that would allow us to compare reimbursement schedules from different insurance plans. We wanted to remove the guesswork from looking at a list of CPT codes and their reimbursements, and trying to predict what the schedule would mean for our practice.

What we ultimately developed was a simple Microsoft Excel® spreadsheet. First, we discovered that we could select about twenty CPT codes that represented about 75 percent of our billed charges, excluding maternity care, for the previous calendar year. This information was readily available in a standard "procedure productivity report by date" in our practice management software. To develop the tool, we asked the question: "What would our reimbursement be like if all of our patients were in the plan being analyzed?" This question leads to an important assumption in our analysis tool. We assume that the patients in the insurance plan that we are analyzing will have the same pattern of utilization of services as did the collection of all our patients during the previous calendar year. (The tool can be modified to reflect only the utilization of the plan being analyzed if that is desired, if there is extensive experience with the plan already, and if the practice management software will do a productivity report by CPT code for a specific insurance plan.)

By multiplying our charge for a particular code by the number of times that code was used in the previous year, the spreadsheet assigns a weight or importance of the reimbursement of that particular code. It is not a surprise that CPT code 99213 is the most important single code for the analysis of expected bottom line reimbursement. However, a relatively good reimbursement level for 99213 can be offset by poor reimbursement for several preventive care codes.

One of the four physicians in our group does maternity care. Therefore, we look at the reimbursement of two maternity-related CPT codes that represent the majority of her productivity for these services. We analyze these two codes separately from the other codes because these services are a small amount of the group's total productivity but a very important part of this individual physician's productivity.

Our experience has been that the vast majority of insurance companies give us reimbursement rates on the twenty-one codes that we ask for without difficulty. If a company refuses our request, we indicate to them that we cannot consider a contract with incomplete release of information. When one insurance plan which we already had a contract with refused to send us reimbursement rates for all of the requested codes, a promise to send a complaint to the Ohio Department of Insurance seemed to result in the requested information being faxed the same day.

We do a yearly review of the reimbursement schedules of all the insurance plans that we participate in. We also compare the reimbursement amounts that companies report to pay to what

we actually receive (on the EOB). We have found several discrepancies in which we were being underpaid!

Once the spreadsheet is completed on several plans, it is very easy to compare overall reimbursement among plans and feel confident that the comparisons are accurate. Representatives of several major insurance plans in Ohio have seemed surprised when we have been able to tell them exactly where their overall reimbursement levels are compared to other commercial plans and to Medicare. Accurate information is a powerful negotiation tool!

Please read the instructions below before using the **Spreadsheet Template**

Instructions for use of the Reimbursement Analysis Spreadsheet:

NOTE: You must have Microsoft Excel installed to open or view the spreadsheet. If you do not have Microsoft Excel installed on your computer, please save the file to disk (or re-visit this web page) from a computer that has Excel installed.

1. The easiest way to use the spreadsheet is to assume that the utilization of patients in the plan being analyzed will be similar to the utilization of the all patients in your practice during the previous calendar year. This allows equal treatment and comparison of all analyzed plans. (If you do not want to make this assumption, enter "raw number" information in step #5 for a specific insurance company only. This requires that you already have extensive utilization experience with the plan to be analyzed and that you can run a productivity report by CPT code for a specific plan.)
2. The spreadsheet lists the 19 CPT codes that we discovered represent 75 percent of our productivity excluding maternity care. (We analyze maternity care reimbursement separately since only one of our four physicians does maternity care.) These codes can be changed or expanded to reflect different practices.
3. Enter your present charge for the code in the appropriate box in the column labeled "2002 Fee."
4. Obtain a report listing productivity by CPT code for 2001 from you practice management system.
5. Enter the "raw number" – the number of times a particular service was performed in your practice during 2001. We do this analysis as a group so we enter the number of times a code was performed by all the doctors in our group. The analysis can be done for an individual physician by entering data for one physician only. The spreadsheet will calculate the "productivity" (total billed charges) and the "percent charges" (percentage of total charges represented by an individual code in the analysis).
6. Enter the "allowed" amount for each code. This is the reimbursement amount for each code that the insurance plan has indicated that it will pay. The spreadsheet will calculate the "percent

FFS" (percentage of your billed charge reimbursed) and list the total "reimbursement" received for each code under the plan's reimbursement schedule.

7. The spreadsheet will calculate the "weighted FFS" which is the overall percentage of your fees based on utilization of the codes that would be paid by the plan.

8. Two maternity care codes are analyzed separately at the bottom of the spreadsheet.

9. For analysis of Medicare, the preventive care codes, which are not reimbursed, can be deleted from the spreadsheet. However, since Medicare reimburses on the RBRVS system and since a RVU is determined by Medicare for each of the preventive care codes, you can calculate what Medicare would pay for these codes if they were covered. Multiply the RVU by the current conversion factor.

10. An easy way to start comparing reimbursement rates of various plans is to list them in descending order of their "Weighted percent FFS" calculated by the spreadsheet.

If you have questions about how to enter information or customize the spreadsheet for your practice, contact Ken Bertka, M.D., by sending an e-mail to bertka@mindspring.com.