

RBP Claim Analysis

Claim Profile	
Provider:	ABC Medical Center
DOS:	11/06/2012 – 11/25/2012
Review Date:	10/24/2013
Billed Charges:	\$649,132.73 (10.15 x MAP)
PPO Discount (54.12%)	BCBS Pays → (\$351,310.63)
PPO Allowed:	\$297,822.10 (4.66 x MAP)
Medicare Allowable Price (MAP):	\$63,909.32
Recommended Reimbursement:	Our Plan Paid → \$95,863.98 (150% x MAP)
Pricing Differential:	Saved → \$201,958.12

Claim Overview:

This is an ABC contracted facility with a 54.12% discount of \$351,310.63 reducing the allowed to \$297,822.10. The pricing validation results *identified significant pricing differentials* that were inflated compared to the geographic region.

Cost Estimate:

The accepted Medicare Allowable Price (**MAP**) for this specific facility claim is \$63,909.32. The average cost for this specific facility is \$51,097 with average billed charges of \$392,172 and the average reimbursement being \$57,188. The average payment is \$67,837. The average length of stay is 14 days. Based on DRG 207 this facility managed 18 cases. The Medicare and Cost information is based on DRG 207. The PPO allowed amount of \$297,822.10 is 4.66 times the Medicare rates and is excessively inflated rendering the PPO discount insignificant.

DRG 207: RESPIRATORY SYSTEM DIAGNOSIS W VENTILATOR SUPPORT 96+ HOURS

Medicare			Cost		
Region	Medicare Allowable	Facility Count	Region	Average Cost	Facility Count
Facility	\$63,909.32	1	Facility	\$51,097.00	1
Zip Code	-	0	Zip Code	-	0
County	\$105,462.05	10	County	\$54,980.00	3
State	\$79,714.18	10	State	\$43,525.33	10
Neighboring States	\$172,797.94	20	Neighboring States	\$40,491.00	25

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Why aren't you?

Dan Monical
309.530.3399

Clinical review of the bill identified:

- No Hospital Acquired Conditions (HAC) present.
- An inpatient bill will be rejected if Revenue code 0636 is used without a valid HCPCS code.
- Intensive care (Accommodation) cost is \$29,632.94 with actual charges of \$185,267.
- Pharmacy cost is \$3,828.33 with actual charges of \$172,536.
- Medical surgical supply cost is \$2,017.72 with actual charges of \$24,739.
- Laboratory cost is \$2,779.94 with actual charges of \$75,553.97.
- Radiology cost is \$945.33 with actual charges of \$10,502.
- Inhalation therapy cost is \$6,941 with actual charges of \$77,921.
- HCPCS code S5553 – Insulin long-acting 5 units: Charge - \$104 is not payable separately under Medicare
- HCPCS code J1953 – Levetiracetam 500 mg: Charge - \$684 is 3600 x MAP (\$0.19).
- HCPCS code J1450 – Fluconazole 400 mg. bag: Charge - \$2,718 is 672.77 x MAP (\$4.04).
- HCPCS code 80053 – Comprehensive metabolic panel: Charge - \$1,039 is 71.50 x MAP (\$14.53).
- HCPCS code 94003 – Vent management IP/OBS sub. D: Charge - \$4,068 is 55.12 x MAP (\$73.79).
- HCPCS code 85027 – Complete CBC automated: Charge - \$452 is 50.84 x MAP (\$8.89).
- HCPCS code 94002 – Vent management initial IP/O: Charge - \$4,805 is 47.91 x MAP (\$100.29).
- HCPCS code 82803 – ABG with calc O2 SAT: Charge - \$1,090 is 40.97 x MAP (\$26.60).
- HCPCS code 36415 – Venipuncture: Charge - \$98 is 32.66 x MAP (\$3.00).
- HCPCS code 93306 – Echo 2D with CF Doppler: Charge - \$7,387 is 30.71 x MAP (\$240.48).
- HCPCS code 70450 – CT head/brain w/o contrast: Charge - \$6,588 is 30.65 x MAP (\$214.89).
- HCPCS code 74177 – CT abdomen & pelvis with contrast: Charge - \$11,897 is 26.52 x MAP (\$448.45).
- HCPCS code 72170 – X-ray pelvis: Charge - \$911 is 24.35 x MAP (\$37.41).
- HCPCS code 71010 – X-ray chest: Charge - \$666 is 22.43 x MAP (\$29.69).

Recommendation:

HST’s payment recommendation would be to issue a payment of **\$95,863.98 or 150%** of Medicare rates which are on the higher end of prevailing charges and are Fair & Reasonable prices according to objective pricing data published by the US government based on regulated pricing-cost submissions by CMS providers. If an appropriate reference-based pricing (RBP) procedure is in place this would constitute the reimbursement. Below is a tiered Medicare reimbursement table with percentiles that can be customized based on your risk tolerance.

Percentage of Medicare	Recommended Payment
125%	\$79,886.65
150%	\$95,863.98
175%	\$111,841.31
200%	\$127,818.64