

## mcp newsletter

April 2013

13-05

**TO: ALL PHYSICIANS**

**RE: GUIDE TO PHYSICIAN PAYMENTS**

Physicians have asked Government to provide additional information to clarify payments made through the Medical Care Plan (MCP) system. MCP issues payments for fee-for-service (FFS) claims and financial adjustments. Fee-for-Service payments are for claims submitted for insured services for which there is an eligible fee code listed in the MCP Medical Payment Schedule or in the Alternate Billing System. Financial Adjustments are payments for insured services or benefits for which there is no eligible feecode.

Types of services paid as fee-for-service payments include:

- Services listed in the MCP Medical Payment Schedule such as consultations and visits, obstetrical services, and surgical procedures;
- Services covered under Alternate Billing such as sessional payments, emergency department coverage, surgical assistance, designated long term care facility coverage, and various block funding arrangements; and
- Coverage provided under the Provincial On Call Program.

Types of financial adjustments payments include:

- Alternate Payment Plan contracts;
- Bonuses such as the FFS Obstetrical Bonus and the Rural FFS Retention Bonus;
- Periodic payments such as quarterly FFS percentage increases, the annual Provincial On Call Program redistribution, and the Canadian Medical Protective Association (CMPA) rebate; and
- Payment and recovery of advances and claim adjustments.

For each pay period, MCP provides individual physician remittance statements. Remittance statements are available in summary and detailed formats. The summary format shows total amounts for FFS claims and financial adjustments, and the detailed format shows payment information for individual FFS claims. Remittance statements can be accessed by physicians through the “Teleclaim” billing software or through private vendor billing software. Support for Teleclaim software is available through the MCP telephone support line (709) 758-1530.

Fee-for-service physicians may participate in a MCP Billing tutorial. This tutorial provides information on preparation and submission of claims as well as an introduction to billing software. Physicians may request a MCP Billing tutorial by contacting the MCP office at (709) 292-4027 or toll free at (800) 563-1557.

Please note that Teleclaim/private vendor software has a reconciliation function. We strongly recommend that you reconcile your remittance statements to keep your outstanding claim file up to date.

We recognize that most difficulties arise with understanding financial adjustment payments. Given the high value and complexity of these payments, Annex A provides additional information to enable providers to identify these payments and understand why they are being made. This information should be used in conjunction with the summary format of the remittance statement.

Currently, the largest financial adjustment is the FFS quarterly retroactive payment. These payments are in accordance with Article 11.03 of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association. FFS physicians receive four routine lump sum retroactive payments per annum on pay periods 6, 13, 20 and 26. The amounts of these payments are dependent on the physician's specialty, the date the service was provided, and the type of service. Information on how retroactive quarterly payments are calculated is included in Annex B.

Questions relating to the content of this Newsletter should be directed to the Manager of Budgeting and Monitoring at (709) 729-2113, or the Assistant Medical Director at (709) 758-1501 or the MCP office in Grand Falls-Windsor at 1-800-440-4405.

## Annex A – Financial Adjustment Information

Code	Title	Description
1101	Advance to Physicians	Advances of claim payments based on a request by a physician. An advance up to a maximum of 90% of the amount of claims in process may be approved by MCP.
2101	Recovery – Advance to Physicians	Recovery of amounts advanced to physicians under code 1101 - ‘Advance to Physicians’.
1105	Claim Adjustment	Adjustment of claim payment amounts based on the outcomes of MCP claims processing.
2108	Recovery Claim Adjustment	Recovery of claim payments based on the outcomes of MCP claims processing.
1301	CMPPA Rebate	A rebate of Canadian Medical Protective Association fees as per Article 11.07 the negotiated Memorandum of Agreement.
1605	Clinical Stabilization Funding	Payments related to Article 19.01 of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association. These payments are made to enhance delivery of selected clinical services.
1606	Category B Redistribution	Payments related to Article 14.06 of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association. These payments distribute the surplus funds committed to Category B coverage.
1705	New Practice Start Up Advance	Advances to FFS Specialists to support costs associated with the development of a new practice.
2705	Recovery – New Practice Start Up Advance	Recovery of the amounts advanced to FFS Specialists under adjustment code 1705 – ‘New Practice Start Up Advance’.
1707	Rural FFS Retention Bonus	Payments related to Article 16.05 of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association. This bonus is paid to eligible FFS physicians practicing outside the St. John’s/Mount Pearl area.
2102	Recovery Audit	Recovery of funds related to an audit of claims.
2103	Reduce to Zero	Recovery of amounts owing from previous pay periods.
6000	Retroactive Payment	Payments related to Article 11.03 of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association. These payments are based on FFS claims and the applicable FFS percentage increase.
6002	On Call Redistribution	Payments related to Article 15.01 of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association. These payments distribute the surplus funds in the On Call budget for the previous fiscal year.
6020	GP Obstetrics Bonus	Payments related to Schedule “I” – “Obstetrical Bonus Policy for Fee-for-service General Practitioners” of the 2009-2013 Memorandum of Agreement between Government and the Newfoundland and Labrador Medical Association.

## Annex B – Retroactive Quarterly Payments

The 2009-2013 Memorandum of Agreement between Government and Newfoundland and Labrador Medical Association states that retroactive quarterly payments will be made for Fee-for-Service (FFS) services until the micro-allocation process is completed. Details on the initial retroactive payments are outlined in MCP Newsletter 2011-04 ([http://www.health.gov.nl.ca/health/mcp/newsletter\\_11\\_04.pdf](http://www.health.gov.nl.ca/health/mcp/newsletter_11_04.pdf)).

The calculation of retroactive quarterly payments is performed at the claim level and processed according to the pay period that the original claim was **paid**. Retroactive quarterly payments are issued in pay periods 6, 13, 20, and 26. The payments are based on claims which were paid in the preceding 6 or 7 pay periods. For example, the retroactive quarterly payment received in pay period 6 is in recognition of claims paid in pay periods 26, 1, 2, 3, 4 and 5. Similarly, the retroactive quarterly payment received in pay period 13 is in recognition of claims paid in pay periods 6, 7, 8, 9, 10, 11, and 12.

The applicable percentage increase is dependant on: the date the service was rendered, the type of service, and the physician's specialty. The MOA outlines increases that are based on MOA years. A MOA year runs from October 1 to September 30. For this agreement the MOA years are as follows:

- MOA Year 1 – October 1, 2009 to September 30, 2010
- MOA Year 2 – October 1, 2010 to September 30, 2011
- MOA Year 3 – October 1, 2011 to September 30, 2012
- MOA Year 4 – October 1, 2012 to September 30, 2013

To identify the percentage increase for a particular service the MOA Year for a claim must be determined. The MOA year is based on the date the service was rendered. For example if a service was rendered on September 1, 2012 and the associated claim was paid on October 16, 2012 the percentage increase is based on MOA year 3.

The MOA outlines specific increases for select Fee-for-Time services. All others services, except services covered under the Provincial On Call Program, are eligible to receive a specialty specific increase. The Fee-for-time services that have a specific increase are as follows:

Service	Year 1	Year 2	Year 3	Year 4
Category A – Emergency Coverage	15.52%	31.03%	31.03%	39.05%
Category B – Emergency Coverage	10.95%	21.90%	21.90%	29.36%
GP Surgical Assistance – Dedicated Time	10.95%	21.90%	21.90%	29.36%

Schedule “F” of the MOA, titled “FFS Percentage Increases by FFS Specialty Group”, provides a detailed breakdown of the percentage increases applicable to eligible services. In accordance with the MOA, retroactive payments are made for: all insured services listed in the MCP Medical Payment Schedule, Organized Sessional Clinics, and Alternate Payment Plans. Specialty specific increases are based on the following:

Specialty	Year 1	Year 2	Year 3	Year 4
Anaesthesia	4.75%	9.50%	9.50%	16.20%
Cardiac	2.50%	5.06%	7.69%	10.38%
Dermatology	2.50%	5.00%	5.00%	11.43%
General Practice	10.95%	21.90%	21.90%	29.36%
General Surgery	5.50%	11.00%	11.00%	17.79%

ICU	2.50%	5.06%	7.69%	10.38%
Internal Medicine	8.70%	17.40%	17.40%	24.59%
Neurology	2.50%	5.06%	7.69%	10.38%
Neurosurgery	2.50%	5.06%	7.69%	10.38%
Nuclear Medicine	2.50%	5.06%	7.69%	10.38%
Obstetrics/Gynecology	10.50%	21.00%	21.00%	28.41%
Ophthalmology*	2.50%	5.06%	7.69%	11.42%
Orthopaedic Surgery	2.50%	5.06%	7.69%	10.38%
Otolaryngology	5.15%	10.30%	10.30%	17.05%
Paediatrics	2.50%	5.06%	7.69%	10.38%
Plastic Surgery	2.50%	5.06%	7.69%	10.38%
Psychiatry	7.70%	15.40%	15.40%	22.46%
Radiology	2.50%	5.06%	7.69%	10.38%
Urology	7.00%	14.00%	14.00%	20.98%

\* Note Year 4 percentage has been increased due to the application of Clinical Stabilization Funding

It is important to emphasize that physicians who bill under more than one specialty the percentage applied will be that applicable to the service. For example a physician who is a general surgeon but also performs work in the ICU will have 17.79% applied to the services provided as a general surgeon and 10.38% for services provided under the ICU fee codes. A general practitioner who performs work in a Category A Emergency Department will have 39.05% applied to the dedicated hourly ER rate and 29.36% applied to the general practitioner fee codes.