



Why ACA Primary Care Enhanced Reimbursement Rates Changed from 2013 to 2014

The Department of Health and Hospitals (DHH) has received numerous inquiries from providers about the ACA Enhanced Reimbursement rates for eligible Primary Care Services rendered in calendar year 2014. This memo explains how those rates are determined.

The Affordable Care Act (ACA) requires States to increase Medicaid reimbursement for certain primary care services in calendar years 2013 and 2014. The Act requires States to reimburse eligible physicians at a rate no less than the greater of (1) the Medicare rates in effect for calendar year, or (2) the rates that would be applicable using the calendar year 2009 Medicare conversion factor (CF). The Centers for Medicare and Medicaid Services (CMS) provided further guidance and requires that States pay eligible providers at the Medicare Part B fee schedule rate, or Medicare Physician Fee Schedule (MPFS), that is applicable either to the specific site of service or to the office setting. Further, States must either make all Medicare locality adjustments or may pay a statewide rate per E&M code based on the mean Medicare rate across the state.

Each state chose how to implement this reimbursement within federal requirements. The method Louisiana implemented is applicable to the site of service and a statewide per E&M code based on the mean Medicare Physician Fee Schedule (MPFS) rate across the state. Each calendar year Louisiana must develop its rates consistent with federal requirements and State choices. First, DHH must develop the statewide rate for each eligible procedure code. Louisiana has two distinct MPFS regional rates for each code – New Orleans and Rest of Louisiana. DHH creates a weighted average of the two regional rates based on the number of parishes affected by each, for New Orleans 4 parishes and Rest of Louisiana Region the other 60. Second, DHH applies the appropriate conversion factor. The CFs for each calendar year are as follows:

- 2009 – 36.0666
- 2013 – 34.0230
- 2014 – 35.8228

To illustrate how this works in practice, the below example uses procedure code 99213:

	MPFS		Statewide Blend (4/64th NO + 60/64th Rest)	Calendar Year	2009	Final Posted Rate
	LA - NO	LA - Rest		Conversion Factor	Conversion Factor	
			A	B	C	D = (A / B) * C
Facility						
2013	\$49.14	\$47.31	\$47.42	34.0230	36.0666	\$50.27
2014	\$51.69	\$49.83	\$49.95	35.8228	36.0666	\$50.29
Non-Facility						
2013	\$71.72	\$67.60	\$67.86	34.0230	36.0666	\$71.93
2014	\$72.75	\$68.79	\$69.04	35.8228	36.0666	\$69.51

As shown for these sample codes, while the MPFS value increased from 2013 to 2014, the application of the conversion factor results in a lower final rate for 2014 than 2013. This outcome is the same for the majority of 2014 ACA rates.

More information on the ACA Enhanced Reimbursement can be found online at <http://www.lamedicaid.com/provweb1/ACA/ACA.htm>.