



ADMINISTRATIVE RULES OF MONTANA

37.85.212 RESOURCE BASED RELATIVE VALUE SCALE (RBRVS) REIMBURSEMENT FOR SPECIFIED PROVIDER TYPES

- (1) For purposes of this rule, the following definitions apply:
 - (a) "Anesthesia units" means time and base units used to compute reimbursement under RBRVS for anesthesia services. Base units are those units as defined by the Medicare program. Time units are 15-minute intervals during which anesthesia is provided.
 - (b) "Conversion factor" means a dollar amount by which the relative value units, or the anesthesia units for anesthesia services, are multiplied in order to establish the RBRVS fee for a service. The effective date and conversion factor amounts are adopted at ARM 37.85.105(2). There are four conversion factor categories:
 - (i) physician services, which applies to the following health care professionals listed in (2): physicians, mid-level practitioners, podiatrists, public health clinics, independent diagnostic testing facilities (IDTF), mobile imaging/portable X-ray providers, qualified Medicare beneficiary (QMB) and early and periodic screening, diagnostic and treatment (EPSDT) chiropractors, laboratory and x-ray services, family planning clinics, and dentists providing medical services;
 - (ii) allied services, which applies to the following health care professionals listed in (2): physical therapists, occupational therapists, speech therapists, optometrists, opticians, audiologists, school-based services, licensed direct-entry midwives, and EPSDT orientation and mobility specialists;
 - (iii) mental health services, which applies to the following health care professionals listed in (2): licensed psychologists, licensed clinical social workers, and licensed professional counselors; and
 - (iv) anesthesia services, which applies to anesthesia services.
 - (c) "Conversion factor category" means the four categories of providers for purposes of calculating Medicaid fees. The categories are physician services, allied services, mental health services, and anesthesia services.
 - (d) "Policy adjustor" means a factor by which the product of the relative value units and the conversion factor is multiplied to increase or decrease the fees paid by Medicaid for certain categories of services.
 - (e) "Provider rate of reimbursement adjustment" means the change to the RBRVS fee calculated for a procedure based on the health care professional delivering the service.

- (f) "Rate variable" means a multiplier in the rate equation, such as a policy adjustor, a provider rate of reimbursement, or pricing modifier, that changes the RBRVS rate for a procedure or service.
 - (g) "RBRVS fee" for a covered procedure means the amount calculated by multiplying the relative value units (or the anesthesia units for anesthesia services) for the procedure by the appropriate conversion factor. If applicable, a rate variable may be applied to the RBRVS fee to calculate the Montana Medicaid fee for the procedure.
 - (h) "Relative value unit (RVU)" means a numerical value assigned in the resource based relative value scale to each procedure code used to bill for services provided by a health care provider. The relative value unit assigned to a particular code expresses the relative effort and expense expended by a provider in providing one service as compared with another service.
 - (i) "Resource-based relative value scale (RBRVS)" means the Medicare resource-based relative value scale contained in the Medicare Physician Fee Schedule adopted by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services. The effective date and citation for the RBRVS is adopted at ARM 37.85.105(2).
- (2) Services provided by the following health care professionals will be reimbursed in accordance with the RBRVS methodology set forth in (3):
- (a) physicians;
 - (b) mid-level practitioners;
 - (c) podiatrists;
 - (d) physical therapists;
 - (e) occupational therapists;
 - (f) speech therapists;
 - (g) audiologists;
 - (h) optometrists;
 - (i) opticians;
 - (j) public health clinics;
 - (k) licensed psychologists;
 - (l) licensed clinical social workers;
 - (m) licensed professional counselors;
 - (n) dentists providing medical services;
 - (o) laboratory and x-ray services;
 - (p) independent diagnostic testing facilities (IDTF);
 - (q) school-based services;
 - (r) QMB and EPSDT chiropractors;

- (s) family planning clinics;
 - (t) anesthesia services;
 - (u) licensed direct-entry midwives;
 - (v) EPSDT orientation and mobility specialists;
 - (w) mobile imaging/portable x-ray providers; and
 - (x) BCBA/BCBA-D.
- (3) The RBRVS fee for a covered service is calculated by multiplying the RVUs determined in accordance with (7) by the conversion factor. The RBRVS fee may also be multiplied by a rate variable to calculate the fee paid by Medicaid.
- (4) The conversion factor for physician services is calculated as stated in 53-6-124 and 53-6-125, MCA. The conversion factor for allied services, mental health services, and anesthesia services is calculated as follows:
- (a) The total RVUs for the prior period is calculated as the sum of the product of the RVUs for a procedure code multiplied by the number of times the procedure code was paid in a prior period.
 - (b) The total RVUs for the prior period is multiplied by the projected change in utilization to estimate utilization during the appropriation period.
 - (c) The Montana Legislature's appropriation for the period is divided by the estimated utilization for the period to calculate the conversion factor.
 - (d) The RVU assigned to each procedure code is multiplied by the appropriate conversion factor to calculate the RBRVS fee for a particular procedure code.
- (5) Policy adjustors will be used to accomplish targeted funding allocations. The effective date and amounts are as provided in ARM 37.85.105(2).
- (6) All conversion factors may be adjusted, pursuant to 17-7-140, MCA, to ensure that the expenditure of appropriations does not exceed available revenue.
- (7) The RVUs for services are adopted from the Medicare Physician Fee Schedule described in (1).
- (8) Subject to the provisions of (8)(a), when billed with a modifier, payment for procedures established under the provisions of (7) is a percentage of the rate established for the procedures.
- (a) The methodology to determine the specific percent for each modifier is as follows:
 - (i) The department obtains information from Medicare and other third party payers regarding the comparative value utilized for payment of procedures billed with modifiers.
 - (ii) The department establishes a specific percentage for each modifier based upon the purpose of the modifier, the comparative value of the modified service and the medical insurance industry trend of reimbursement for the modifier.
 - (iii) The department's list of the specific percents for the modifiers used by Medicaid is adopted and incorporated by reference. A copy of the list is available on the department's web site at:

<https://medicaidprovider.mt.gov/manuals/physicianrelatedservicesmanual>. The effective date and amounts are as provided in ARM 37.85.105(2).

- (9) In applying the RBRVS methodology set forth in this rule, Medicaid reimburses in accordance with Medicare's policy on the bundling of services, as set forth in the Medicare Physician Fee Schedule adopted by CMS and published in the Federal Register annually, whereby payment for certain services constitutes payment for certain other services which are considered to be included in those services.
- (10) Providers must bill for services using the procedure codes and modifiers set forth, and according to the definitions contained in the Federal Health Care Administration's Common Procedure Coding System (HCPCS). Information regarding billing codes, modifiers, and HCPCS is available in provider manuals located on the department's web site at: <https://medicaidprovider.mt.gov/>.

Authorizing statute(s): 53-2-201, 53-6-113, MCA

Implementing statute(s): 53-2-201, 53-6-101, 53-6-111, 53-6-113, 53-6-125, MCA

History: NEW, 1997 MAR p. 1269, Eff. 7/22/97; AMD, 1998 MAR p. 676, Eff. 3/13/98; AMD, 1998 MAR p. 2168, Eff. 8/14/98; AMD, 1999 MAR p. 1301, Eff. 7/1/99; AMD, 1999 MAR p. 1379, Eff. 7/1/99; TRANS, from SRS, 2000 MAR p. 479; AMD, 2000 MAR p. 1664, Eff. 6/30/00; AMD, 2001 MAR p. 984, Eff. 6/8/01; EMERG, AMD, 2002 MAR p. 797, Eff. 3/15/02; AMD, 2002 MAR p. 1775, Eff. 6/28/02; EMERG, AMD, 2002 MAR p. 2665, Eff. 9/27/02; AMD, 2002 MAR p. 3637, Eff. 12/27/02; EMERG, AMD, 2003 MAR p. 1311, Eff. 7/1/03; AMD, 2004 MAR p. 1488, Eff. 7/2/04; AMD, 2005 MAR p. 974, Eff. 7/1/05; AMD, 2006 MAR p. 1422, Eff. 6/2/06; AMD, 2007 MAR p. 1339, Eff. 10/1/07; AMD, 2008 MAR p. 1155, Eff. 7/1/08; AMD, 2009 MAR p. 1012, Eff. 7/1/09; AMD, 2010 MAR p. 1540, Eff. 7/1/10; AMD, 2011 MAR p. 1700, Eff. 8/26/11; AMD, 2012 MAR p. 1266, Eff. 6/22/12; AMD, 2013 MAR p. 1111, Eff. 7/1/13; AMD, 2014 MAR p. 1407, Eff. 7/1/14; AMD, 2016 MAR p. 2435, Eff. 1/1/17; AMD, 2017 MAR p. 1522, Eff. 9/9/17; AMD, 2024 MAR p. 2269, Eff. 9/21/24.