



Physicians Committed
to Quality

monthly memo mvma ipa

An important announcement from Richard B. Toll, M.D., MVMA President

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MVMA Fee Schedule Update

The MVMA Board of Directors (IPA) has approved a fee increase for our physicians, effective July 1, 2005. The MVMA fee schedule, with few exceptions, will be based on a conversion factor of \$50.048 utilizing 2005 regionally adjusted Medicare Relative Value Units (RVU). This is essentially a 2% fee increase in the aggregate and equates to 132.06% of Medicare. Withhold exposure will remain at 10%.

MVP Fee Schedule Update

MVP has approved a fee increase for our physicians in the MVMA Physicians' Organization, LLC (MVMAPO), effective July 1, 2005. The MVP fee schedule, with few exceptions, will be based on a conversion factor of \$50.048 utilizing 2005 regionally adjusted Medicare Relative Value Units (RVU). This is essentially a 2% fee increase in the aggregate and equates to 132.06% of Medicare.

Drug Reimbursement Methodology Change

The Centers for Medicare Services (CMS) modified their drug reimbursement to physicians from Average Wholesale Price (AWP) methodology to Average Sales Price (ASP). While the result was a reduction in the drug reimbursement, for the most part, this was offset somewhat by an increase in the reimbursement for the administration of the drugs. MVMA's and MVP's drug reimbursement is based on the Medicare methodology, resulting in changing over to the ASP calculation. Medicare reimbursement is ASP + 6%. The drugs will be reimbursed at 106% of Medicare effective July 1, 2005. Items without a Medicare calculated ASP (including, but not limited to new drugs and any Medicare-determined exception to ASP pricing) will be reimbursed at 100% of Medicare plus an administrative fee. When MVP has the capability to administer NDC coding, providers must bill with NDC's. MVP will inform providers, via the physician newsletter, when it has this capability.