



Physicians Committed
to Quality

monthly memo mvma ipa

An important announcement from
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I am pleased to announce the upcoming fee schedule adjustments that will take place in two phases, beginning on July 1, 2002. The Board of Directors has considered several options and mandated that the following be implemented:

1. A fee schedule that is 124 percent of 2002 Medicare in the aggregate.
2. Withhold exposure reduction to 10 percent, **for all specialties.**

As you know, the 2002 Medicare adjustments have not been looked upon favorably. The Board felt very strongly that in spite of some of the downward adjustments, it was important overall to implement the 2002 Relative Value Units (RVU) for consistency, and provide a fiscally prudent fee increase for our physicians. While some codes will go up and some will go down, the net effect is a **three-percent increase** in aggregate.

MVP is progressing toward a computer conversion to Facets, which is scheduled to be implemented later this summer. The Board considered implementing the fee schedule in two phases – July 1 under the old method and late summer under the newer method provided by the new system. However, it was felt that this would create an administrative and posting problem for your office staff by loading the new fees one month and then changing them again a short time later. Therefore, the new fee schedule will be implemented when the Facets computer conversion takes place to minimize the disruption to your staff.

The withhold exposure change is the first priority. The Board recognized that for many years, our physicians have been unhappy with the concept of withhold in general, and our specialists are unhappy with the concept of a variable withhold exposure for primary care physicians, and a standard withhold of 20 percent applied to those specialists falling under the Resource Based Relative Value Scale (RBRVS) method of reimbursement. While the concept of withhold cannot be eliminated entirely at this point, the Board is committed to the reduction to 10 percent for all specialties and has mandated this be implemented effective July 1, 2002 (please note that the accelerated withhold program for physicians with a total cost of over 120 percent of the mean will remain in effect).

We will keep you updated through the monthly newsletter on the progress of the Facets conversion as the fee schedule changes are dependent on the implementation date.

