

## *AAP Private Payer Advocacy Update*

*March 2006*

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### **1. There's still time to complete the PPA Update Survey - Your input is needed!**

Please take a few moments to tell us how we are doing. Click on the attached link to complete a survey on the AAP Private Payer Advocacy (formerly PSA) Update. The information will be shared with the PPAAC as it looks to enhance communication of PPA issues and activities. To complete the survey, click on:

<http://www.surveymonkey.com/sasp?u=117791718834>

### **2. AAP joins other specialty societies in protesting CIGNA's blended rates program**

The AAP along with 5 other specialty societies sent a letter to CIGNA Healthcare Northeast objecting to its program to blend payments for E/M services. CIGNA will pay physicians in Connecticut, New Jersey and New York the same amount for CPT codes 99213, 99214 and 99215 unless the physician appeals to be exempt from the program. Attached below is a copy of the letter titled **Letter CIGNA blended rates**. CIGNA's response will be shared in a future PPA Update.

### **3. Anthem/Wellpoint agrees to meet in response to objections to its blended rate pilot**

In response to strong objections raised by the AAP and other specialty societies, Anthem/Wellpoint corporate staff will be meeting in late March 2006 with members of the AAP Ohio Chapter, Ohio State Medical Society and other specialty societies. Chris Rizzo, MD, FAAP, past president AAP Ohio Chapter and Jon Price, MD, FAAP, chairperson, Ohio Chapter pediatric council will be participating. A summary of the meeting will be provided in a future PPA Update.

### **4. AAP objects to UnitedHealthcare (UHC) payment policy on lab tests**

The AAP sent a letter to UHC objecting to its policy of basing payments for lab tests using only cost data from reference labs. UHC bases payment for tests such as CPT code 83036 (*hemoglobin; glycosylated*) on freestanding reference labs, which results in

payment that is inadequate to cover the expenses when the test is provided in the physician's office. A copy of the letter is **attached as UHC office based labs** and will be posted on the Member Center, private payer page.

#### **5. Chapters developing pediatric councils**

Chapter development of pediatric councils is gaining momentum. In 2003 there were 8 chapters with pediatric councils. In 2004 and 2005, a total of 10 pediatric councils were formed. Already in 2006, new pediatric councils have met in the New York Chapters as well as Rhode Island. Pediatric councils are under discussion and/or development in Arizona, Iowa and West Virginia.

#### **6. Improving your bottom line: Negotiating with Insurers is a necessary skill**

Check out the article in the March 2006 AAP News on practical points on negotiating with carriers at <http://aapnews.aappublications.org/cgi/content/full/27/3/27>.

Also work continues on the development of a Pedialink module on carrier contract negotiation for pediatricians and office management staff. The module will feature interactive sessions on the dynamics of negotiating with health plans.

#### **7. 2006 RBRVS Brochure Updated**

Recently, CMS instructed Medicare contractors to begin paying physician claims at FY 2005 rates instead of the negative 4.4% update originally scheduled for 2006. The Deficit Reduction Act signed into law on February 8, 2006 eliminated the lower rates slated to begin January 1, 2006, and restored payment to 2005 levels. Attached below is an update of the **2006 RBRVS revised brochure**, which can also be accessed on the AAP Member Center, Coding and RBRVS page at <http://www.aap.org/visit/rbrvsbrochure.pdf>.

*For information on AAP Private Payer Advocacy, including pediatric councils, contact Lou Terranova, Senior Health Policy Analyst at [lterranova@aap.org](mailto:lterranova@aap.org) or 800/433-9016 ext 7633*