

## WASHINGTON RBRVS PAYMENT SYSTEM AND POLICIES

L&I uses the Resource Based Relative Value Scale (RBRVS) to pay for most professional services. These services have a fee schedule indicator (FSI) of R in the Professional Services Fee Schedule.

### BASIS FOR CALCULATING RBRVS PAYMENT LEVELS

RBRVS fee schedule allowances are based on:

- Relative value units (RVUs),
- Geographic adjustment factors for Washington State and
- A conversion factor.

The maximum fee for a procedure is obtained by multiplying the adjusted RVU by the conversion factor. The maximum fees are published as dollar values in the Professional Services Fee Schedule.

Under the Centers for Medicare and Medicaid Services (CMS) approach, RVUs are assigned to each procedure based on the resources required to perform the procedure, comprised of:

- The work,
- Practice expense and
- Liability insurance (malpractice expense).

A procedure with an RVU of 2 requires half the resources of a procedure with an RVU of 4.

Geographic adjustment factors are used to correct for differences in the cost of operating in different states and metropolitan areas producing an adjusted RVU described below.

The conversion factor is published in WAC 296-20-135. It has the same value for all services priced according to the RBRVS. L&I may annually adjust the conversion factor by a process defined in WAC 296-20-132.

Three state agencies, Labor and Industries (L&I), Health Care Authority (HCA) and Department of Social and Health Services (DSHS), use a common set of RVUs and geographic adjustment factors for procedures, but use different conversion factors.

The primary source for the current RVUs is the 2008 Medicare Physician Fee Schedule Database (MPFSDB), which was published by CMS in the November 27, 2007 *Federal Register*. The *Federal Register* can be accessed online at

<http://www.gpoaccess.gov/fr/index.html> or can be purchased from the U.S. government in hard copy, microfiche or disc formats. The *Federal Register* can be ordered from the following addresses:

Superintendent of Documents  
PO Box 371954  
Pittsburgh, PA 15250-7954

or <http://bookstore.gpo.gov/>

The state agencies geographically adjust the RVUs for each of these components based on the costs for Washington State. The Washington State geographic adjustment factors for July 1, 2009 are:

- 100.4% of the work component RVU,
- 100.7% of the practice expense RVU and
- 69.7% of the malpractice RVU.

To calculate the insurer's maximum fee for each procedure:

1. Multiply each RVU component by its geographic adjustment factor,
2. Sum the geographically adjusted RVU components, rounding to the nearest hundredth,
3. Multiply the rounded sum by L&I's RBRVS conversion factor (published in WAC 296-20-135) and round to the nearest penny.

## SITE OF SERVICE PAYMENT DIFFERENTIAL

The site of service differential is based on CMS's payment policy. The insurer will pay professional services at the RBRVS rates for facility and nonfacility settings based on where the service was performed. Therefore, it is important to **include a valid 2-digit place of service code on your bill**.

The maximum fees for facility and nonfacility settings are published in the Professional Services Fee Schedule.

### Services Paid at the RBRVS Rate for Facility Settings

When services are performed in a facility setting, the insurer makes 2 payments, one to the professional provider and another to the facility. The payment to the facility includes:

- Resource costs such as labor,
- Medical supplies and
- Medical equipment.

To avoid duplicate payment of resource costs, these costs are excluded from the RBRVS rates for facility settings.

Professional services will be paid at the RBRVS rate for facility settings when the insurer also makes a payment to a facility. The following codes will be paid at the rate for facility settings:

Place of Service Code	Place of Service Description
05	Indian health service free-standing facility
06	Indian health service provider-based facility
07	Tribal 638 free-standing facility
08	Tribal 638 provider-based facility
21	Inpatient hospital
22	Outpatient hospital
23	Emergency room-hospital
24	Ambulatory surgery center
25	Birthing center
26	Military treatment facility
31	Skilled nursing facility
34	Hospice
41	Ambulance (land)
42	Ambulance (air or water)
51	Inpatient psychiatric facility
52	Psychiatric facility partial hospitalization
56	Psychiatric residential treatment center
61	Comprehensive inpatient rehabilitation facility
62	Comprehensive outpatient rehabilitation facility
99	Other unlisted facility
(none)	(Place of service code not supplied)

### **Billing Tip**

Remember to include a valid 2-digit place of service code on your bill. Bills without a place of service code will be processed at the RBRVS rate for facility settings, which could result in lower payment.

## Services Paid at the RBRVS Rate for Nonfacility Settings

When services are provided in nonfacility settings, the professional provider typically bears the costs of labor, medical supplies and medical equipment. These costs are included in the RBRVS rate for nonfacility settings.

Professional services will be paid at the RBRVS rate for nonfacility settings when the insurer does not make a separate payment to a facility. The following place of service codes will be paid at the rate for nonfacility settings:

Place of Service Code	Place of Service Description
01	Pharmacy
03	School
04	Homeless shelter
09	Correctional facility
11	Office
12	Home
13	Assisted living facility
14	Group home
15	Mobile unit
16	Temporary lodging
20	Urgent care facility
32	Nursing facility
33	Custodial care facility
49	Independent clinic
50	Federally qualified health center
53	Community mental health center
54	Intermediate care facility/mentally retarded
55	Residential substance abuse treatment center
57	Nonresidential substance abuse treatment center
60	Mass immunization center
65	End stage renal disease treatment facility
71	State or local public health clinic
72	Rural health clinic
81	Inpatient laboratory

Facilities will be paid at the RBRVS rate for nonfacility settings when the insurer does not make a separate payment directly to the provider of the service.



Remember to include a valid 2-digit place of service code on your bill. Bills without a place of service code will be processed at the RBRVS rate for facility settings, which could result in lower payment.