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I Reimbursement for Physician Services shall be:

A. The lower of:

1. The provider's usual and customary charge for the service;
or
2. Reimbursement provided in accordance with the methodology
described in Number II.

II. The Department's fee schedule for Physician Services is determined:

- A. In accordance with the Resource Based Relative Value Scale (RBRVS) methodology, by multiplying Medicare's Relative Value Units (RVU), or Medicare's base and time units for anesthesia services, which is numeric, by the Montana Medicaid specific conversion factor, which is a dollar amount, to equal a fee. Specific to Montana Medicaid, there is an ability to multiply the fee times a policy adjuster (either plus or minus) to affect the fee.
- B. "Resource based relative value scale (RBRVS)" means the version of the Medicare resource based relative value scale contained in the Medicare Physician Fee Schedule adopted by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services published January 4, 2012.
- C. "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.

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D. The RVUs are adopted from the RBRVS.

1. If Medicare sets RVUs, the Medicare RVUs are applicable;
2. If Medicare does not set RVUs but Medicaid sets RVUs, the Medicaid RVUs are set in the following manner:

- a) convert the existing dollar value of a fee to an RVU value;
- b) evaluate the RVU of similar services and assign an RVU value; or
- c) convert the average by report dollar value of a fee to an RVU value.

E. If neither Medicare nor Medicaid sets RVUs, then reimbursement is 'by report'. 'By report' means paying a percentage of billed charges. The percentage is derived by dividing the previous state fiscal year's total Medicaid reimbursement for services included in the RBRVS by the previous state fiscal year's total Medicaid billings

F. Reimbursement for physician-administered drugs is determined by:

1. The Medicare Average Sales Price (ASP) methodology if there is an ASP fee;
2. The RBRVS fee if there is an RBRVS fee;
3. The estimated acquisition cost (EAC) as defined in the outpatient drug services state plan (service 12a); or
4. The 'by report' amount.

G. Consistent with the policies described in this section, the agency's fee schedule for SFY 2013 is updated July 1, 2012 and is effective for services provided on or after that date. All rates are published on the agency's website at <http://medicaidprovider.hhs.mt.gov/>