Pricing and the Life Care Plan: Physician Office Visits
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When completing or critiquing a Life Care Plan, the Nurse Life Care Planner is expected to project costs for office visits over an individual's life expectancy. These costs vary from region to region, state to state and even from county to county. I would like to share four methods for obtaining this information that I have encountered in my experience. You will likely find yourself using each of these methods in your practice as needs dictate. As always, regardless of what method you use when projecting costs in your Life Care Plan, you must be prepared to defend your methodology at deposition or trial with supportive documentation.

**USUAL AND CUSTOMARY CHARGES**

Nurse Life Care Planners as well as physician office managers and/or billing specialists may refer to a number of publications which provide the "usual and customary" charges for office visits in any given U.S. geographical region, e.g., Medical Fees in the United States, Nationwide Charges for Medicine, Surgery, Laboratory, Radiology and Allied Health Services - 2009 - PMIC. Such publications provide a range of average charges, from simple routine office visits to complex, lengthy visits. By locating the Current Procedural Terminology (CPT) code for the visit, you can find the charge range for the geographical area involved. Additional procedures or testing would incur additional charges.

The American Medical Association (AMA) owns the copyrights to the CPT listing. They offer various publications in hardcopy, online, and CD-ROM formats which are available to members and nonmembers. These can be reviewed and purchased at http://www.AMABookstore.com.

**GO TO THE SOURCE**

Call the provider's practice and ask the billing department for the charges for office visits. It may be helpful if you can provide them with a specific CPT code, e.g., "CPT code 99212 - established patient, outpatient office visit lasting 10-15 minutes." However, I have been told by some attorneys that this method may be considered hearsay and not necessarily a reliable source in legal proceedings. You should discuss this method/option with any attorney who retains your services to obtain a definite answer regarding admissibility in your case.

**BILLING REVIEW**

You might be fortunate enough to find that records your client has provided for your review include claim forms with provider billing and payment information. When using this information as a cost source, attach copies of such documentation to support the costs represented in the Life Care Plan.

**MAXIMUM ALLOWABLE PAYMENTS**

Last, note that there may be a distinct difference between what a physician's office charges an insurance carrier and what they will accept as payment. We should not consider health insurance contracts when projecting costs in a Life Care Plan. Consumers of health care services have the option and right to negotiate costs with any provider if health insurance is not involved. Providers may accept lower fees from an established private-pay patient without health insurance, just as they negotiate with private, state and Federal insurance payers.

Insurance carriers always predetermine their maximum allowable payments (MAP). They do this by using a calculated value from the Centers for Medicare and Medicaid Services (CMS) called Relative Value Units (RVU), which is derived based on the work involved in providing each service (e.g., practice expense, office expense, and malpractice insurance expense). Every CPT code has an assigned RVU. The carrier multiplies a conversion factor (CF), in dollars, by the CPT code's RVU to determine the maximum allowable payment for that carrier's reimbursement for any service.

You can find the RVU for over 10,000 CPT codes at the CMS website at http://www.cms.hhs.gov. You can find single CPT Codes, ranges of CPT Codes, pricing information, RVU for specific CPT codes, specific locality/individual states, and many other pieces of information.

For example, to look up the RVU of a specific HCPCS (CPT) code, click on "Physician Fee Schedule Lookup" (bottom, right of page), then click on "Physician Fee Schedule Search" (top, left of page). Follow the 3 Step "PFSSSearch-Help" instructions attached. The RVU is located under the "Fully Implemented Non-Facility Total" column.

Each insurance carrier, public and private, uses its own CF to obtain its MAP. Only the Medicare CF has been provided in this article. Each state also has a Worker's Compensation CF, which is published information at each state's Worker's Compensation website.

The explanation for the use of CPT codes (HCPCS codes), RVU and CF to obtain MAP has been presented as an additional resource for Nurse Life Care Planners. Understanding how third party payers arrive at their reimbursement fees helps clarify the discrepancies between the amount a physician's office charges and the amount they accept as payment. Physician charges will always exceed the payment accepted from carriers. Because insurance carriers, CMS and the AMA periodically review and adjust RVU and CF, providers show
this discrepancy in hopes that these numbers will be adjusted higher during review cycles. Physicians who accept reimbursement from Medicare, Medicaid, Workers’ Compensation, Auto No-Fault, Blue Cross Blue Shield, Cigna, Humana, Aetna, Kaiser, PacifiCare, and others sign contracts agreeing to accept the carrier’s fee schedule. Again, a physician’s charges are almost always negotiable.

**SUMMARY**

These four methods of obtaining physician office visit costs will provide recognized, accepted, published, documented charges, fees and cost reimbursement information to the attorney requesting a Life Care Plan, as well as provide the Nurse Life Care Planner with supportive documentation to explain and defend the costs represented in the Life Care Plan.

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**Life Care Planning in Light of Daubert and Kumho**

Part of the *Daubert Series* by E & F, Inc. Valuable information to consider in preparation for deposition or trial regarding a Life Care Plan, including a discussion of actual cases. Specific suggestions are made as a guide of the life care planner. The review of cases also provide concrete information on what was allowed or not allowed in court. (B 14, 2006, 72 pp., $19.95, by Weed, R. & Johnson, C.).

**Life Care Planning: A Step-by-Step Guide**

A perfect resource for the beginning life care planner who could benefit from a brief, well-documented, but succinct presentation of how to develop a life care plan. Dr. Weed provides a clear and concise guide, including an actual case which illustrates the process. An excellent list of references and resources is a valuable addition as well. (B52, 2007, 56 pp., $19.95, by Weed, R.).

**Life Care Planning: A Method to Your Madness**

A new resource which systematically presents the essential elements of the life care plan with discussion of important points, including a large array of helpful worksheets, guidelines, and forms. Topical sections include: Setting Up Shop, Essential Business Forms, Marketing, Receiving Records, Interview Forms, Life Care Plan Outline, Questionnaires, Contacting Vendors, Determining Cost, and Report Completion. A closing section includes information on writing reports, websites, and presenting your reports. (B53, 2008, @200 pp, $39.95, by Garland & Anderson).

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