

Update: Anthem BCBS Fee Schedule Changes

As discussed in APS' White Paper late last month, Anthem Blue Cross and Blue Shield has been actively notifying physician groups and other contracted providers of updates to its fee schedules in various states. These updates are not favorable, when it comes to reimbursement rate, and can be misleading as the carrier has been very selective in the information provided in the update letters. In some states, a couple of commonly billed CPT codes are slightly increasing while most applicable codes to the providers are being cut to around 50% of the CMS 2019 Physician Fee Schedule. The increased codes are provided in the letters, but the full fee schedule must be pulled off the Availity Gateway in order to see the full impact.

This process has continued to roll out in multiple states, as expected, and appears to be rolling out in more states in the coming months. To date, APS has confirmed providers receipt of these update letters in states such as: Ohio, Alaska, Indiana, Georgia, Wisconsin, Colorado, Missouri, California and Virginia. The effect of reimbursement rate changes will vary by state, as each update is made to specific plans offered by the carrier. The official notification process of fee schedule changes is a standard practice required by your Anthem contract. Unfortunately, the process does not allow much time for reaction by contracted providers. In many cases, full fee schedules are not available through the Availity Gateway until a later date, which shortens the window to object to the change and initiate further negotiation of the rates. APS coordinated client communication objecting to the changes to Anthem's Provider Representatives, but unfortunately the overwhelming response received by provider reps in most affected states has been that the rates are not negotiable.

There are a few key elements to this issue that must be understood:

1. Proposed rate reductions to 50% of 2019 CMS rates are set to take place on commercial products.
2. Not all Anthem products are affected in each state. This update is product specific, but in many cases represent a large volume of the commercially insured within a state.
3. These rate cuts are taking place on both the Professional and Technical components of procedures and will affect providers and institutions alike.
4. Anthem has not been receptive to renegotiation or open dialogue to the rates proposed.
5. Objection periods are as little as a couple of days from availability of full fee schedule updated rates.

APS has been able to confirm effective dates for Fee Schedule changes for the following states:

- California - 7/1/19
- Georgia - 7/5/19
- Indiana - 7/1/19
- Ohio - 7/1/19
- Wisconsin - 8/1/19
- West Virginia - 7/10/19

APS is encouraging all clients to formally object to rate changes as they are notified and we have been assisting clients in that effort for each client that has received a notice. It is important that all providers affected work to ensure their hospital administration is aware of this change and how it affects the physician group as well as the institution's contracted rates and revenue. In many cases, groups have objected and sent notice of termination for the impacted plans. Clear communication with the health system and their contracting resources is paramount in working to secure fair rates for services rendered.

At APS, we continue to triage each client's Anthem situation as we are notified. Fee schedules are being retrieved, analyzed and revenue impact forecasted based on client's historical data, as they are made available. Clients are urged to make us aware of all communication received from Anthem on this topic or any payor for that matter. Accepting rates lower than Medicare for commercial insurance work is poor business practice that will open other payors to follow suit. If you have questions on this topic, please contact your Practice Manager.