

Bulletin



Bulletin Number 4423	Date June 28, 2005	Direct inquiries to Ministry of Health and Long-Term Care Processing Office (address below)
Distribution Physicians, Hospitals, Clinics and Laboratories		

Subject: Implementation of 2004 Physician Services Agreement

- 1) **Schedule of Benefits for Physician Services fee increases, effective April 1, 2004**
 - 2.5% for family practice professional fee codes
 - 2.0% increase for specialist practice professional fee codes
- 2) **Non Fee-For-Service Payment Adjustments**
- 3) **Increase to the claims payment threshold level for fiscal year 2004/2005**
- 4) **1% fee increase for diagnostic services technical fee codes, effective April 1, 2005**
- 5) **Elimination of claims payment threshold levels, effective April 1, 2005**
- 6) **Future distribution of OHIP Bulletins and the Schedule of Benefits**
- 7) **Revised Numeric Index for the Schedule of Benefits for Physician Services**

In accordance with the 2004 Physician Services Agreement, a number of changes are being made to the Schedule of Benefits for Physician Services and to the billing threshold levels for physician services.

1) Schedule of Benefits for Physician Services fee increases, effective April 1, 2004

Effective April 1, 2004, a fee increase is being applied as follows:

- A 2.5% increase to all family practice and practice in general professional fee codes listed in the Consultation and Visits section of the Schedule of Benefits for Physician Services
- A 2.0% increase to all specialist practice professional fee codes listed in the Schedule of Benefits for Physician Services

Office locations

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Physicians will begin receiving their retroactive payment adjustments in July 2005. Retroactive payments will be paid to the physician's solo account or the applicable group account that is associated with the payment for the original approved claim. The retroactive payment adjustments will be made as follows:

- July 2005 Remittance Advice (RA):
 - Retroactive payment adjustments will be made for insured professional services rendered from April 1, 2004 to March 31, 2005 inclusive that were processed by the ministry up to June 30, 2005. A broadcast message with additional details about these payments is included on the July 2005 RA. Please note that 2004/05 retroactive payments will not be subject to the new 2004/2005 payment threshold level; the threshold level adjustment for fiscal year 2004/2005 will be made on the October 2005 RA.
- August 2005 RA:
 - The increased fee amount will be paid by the ministry for insured services rendered on or after April 1, 2005 and processed after July 1, 2005. Claims for services rendered prior to April 1, 2005 will continue to be paid at the old rates but will subsequently be adjusted by the ministry on the October 2005 RA.
 - Retroactive payment adjustments for insured services for both professional and technical services rendered from April 1 to June 30, 2005 that were paid by the ministry at the old rates will be processed as item level adjustments and credited starting on the August RA.
- September 2005 RA:
 - Retroactive payment adjustments for insured services for both professional and technical services rendered from April 1 to June 30, 2005 that were not adjusted for payment on the August 2005 RA will be credited to the September 2005 RA.
- October 2005 RA:
 - Retroactive payment adjustments for professional services rendered from April 1, 2004 to March 31, 2005 inclusive, and processed at the old rates up to September 30, 2005.
 - Threshold payment adjustment for the increased threshold level for fiscal year 2004/2005.
 - Retroactive payment adjustments for insured services for both professional and technical services rendered from April 1 to June 30, 2005 that were not adjusted for payment on the August and September 2005 RAs will be credited to the October 2005 RA.

All of the retroactive fee increase payments will appear as accounting transactions on the physician's RA and will be subject to any third party adjustments applicable to the physician's remittance such as a Court Order.

Retroactive fee increase payments will also be made to physicians with applicable fee-for-service billings in all primary care and alternate payment plans, alternate funding plans, alternate funding agreements and all other non-fee-for-service funding agreements according to the payment schedule as outlined above.

2) Non-Fee-For-Service Payment Adjustments

Most retroactive flow through payments for alternate payment plans, alternate funding plans, alternate funding agreement and all other non-fee-for-service funding arrangements will be completed by July 2005.

Retroactive fee increase payments will also be sent to physicians participating in primary care models beginning in July 2005.

Retroactive fee increase payments will be issued no later than September 2005 to Community Health Centres (CHCs) for distribution to CHC physicians through the regular CHC payment process.

3) Increase to claims payment threshold level for fiscal year 2004/2005

In keeping with the professional fee increases effective April 1, 2004, the claims payment threshold for fiscal year 2004/2005 has been increased from \$455,000 to \$466,375. This will be taken into consideration when determining all retroactive payment amounts for the fiscal year 2004/2005 professional fee increases and any adjustments will be reflected on the October 2005 RA.

4) Fee increase for technical fees, effective April 1, 2005

Effective April 1, 2005 an increase of 1.0% will be applied to all diagnostic services technical fee codes listed in the Schedule of Benefits for Physician Services.

As of July 1, 2005, the increased fee amounts will be paid by the ministry for such insured services rendered from April 1, 2005 and processed on August 2005 RA.

Retroactive payment for technical fees for diagnostic services rendered after April 1, 2005 inclusive and paid at the unadjusted rates, will begin being made on the August 2005 RAs and will continue until all claims payments have been retroactively adjusted and paid.

5) Elimination of claims payment threshold, effective April 1, 2005

The claims payment threshold is eliminated for service dates effective from April 1, 2005. However, threshold related messages will continue until the October 2005.

6) Future distribution of OHIP Bulletins and the Schedule of Benefits

The ministry is examining options for the distribution of its communications to physicians. Please find enclosed a survey soliciting your media preference for receiving future OHIP Bulletins and Schedules of Benefits for Physician Services, as well as a postage paid return envelope, to return this information to the ministry.

7) Revised Numeric Index for the Schedule of Benefits for Physician Services

Please find enclosed a revised Numeric Index for the Schedule of Benefits for Physician Services reflecting the revised fee amounts for both the April 1, 2004 and April 1, 2005 fee increases.

This Bulletin is a general summary provided for information purposes only. Physicians, hospitals and other health care providers are directed to review the *Health Insurance Act*, Regulation 552 and the Schedules under that regulation, for the complete text of the provisions. You can access this information on-line at: www.e-laws.gov.on.ca/. In the event of a conflict or inconsistency between this Bulletin and the applicable legislation and/or regulation, the legislation and/or regulation prevails.

Bulletins and the updated version of the Numeric Index of the Schedule of Benefits are available on the Ministry of Health and Long-Term Care website <http://www.health.gov.on.ca/>.