

Questions & Answers: 0.5% Physician Payment Discount (Bulletin #4597)

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1. *What is the 0.5% physician payment discount?*

The 0.5% discount is a reduction against all physician payments effective April 1, 2013 per section 1 of the 2012 Physician Services Agreement (2012 Agreement).

Specifically, the discount will be applied to fee-for-service payments as well as primary care models, primary care specialized models, AFP/APP agreements and physician programs in the same manner as the September 1, 2011 flow through payments. The discount will also apply to on-call payments.

The 2012 Agreement is published on the Ministry of Health and Long-Term Care website at:

http://www.health.gov.on.ca/en/pro/programs/phys_services/docs/phys_services_agreemnt_en.pdf

2. *How long is the 0.5% discount in effect?*

The 0.5% discount is effective for the duration of the 2012 Agreement and may be reduced based on a review of savings in the physician budget per section 1.4 of the 2012 Agreement.

3. *Who is subject to the 0.5% discount?*

All physicians will have the 0.5% discount applied to their payments regardless of their remuneration type. This includes fee-for-service payments, Ontario Telemedicine Network payments, and funding through Alternative Payment Program contracts and Primary Health Care models.

4. *Do physicians have to reduce their OHIP billing amounts by 0.5%?*

Physicians do not have to make any changes to their OHIP billing software or their claims submissions per the implementation of the 0.5% discount. OHIP will apply the 0.5% discount against eligible payments and report the discount amount on the monthly Remittance Advice.

5. *When will the 0.5% discount be applied to physician payments?*

The 0.5% discount processing will commence in April 2013 and will be calculated against eligible payments issued through the claims processing system and primary care payment system and applied to the May 2013 remittance. The 0.5% discount on some manually processed payments issued through the Contract Financial Management system will be delayed until June 2013.

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6. *Is the technical component of diagnostic services subject to the 0.5% discount?*

Both the technical and professional components of diagnostic services are subject to the 0.5% discount which is being applied to all physician payments per section 1 of the 2012 Agreement. This includes the facility fee payments to Independent Health Facilities.

The payments for all services listed in the “Schedule of Benefits for Physician Services” and the “Schedule of Facility Fees for Independent Health Facilities” are subject to the 0.5% discount.

7. *What is the 0.5% discount process for opted-out physicians?*

The approximately 30 opted-out physicians will continue to bill their patients at 100% of the fee value listed in the “Schedule of Benefits for Physician Services” and submit claims to OHIP on behalf of the patient. OHIP will reimburse the patient at 100% of the fee value, calculate the 0.5% discount, report it on the monthly Remittance Advice and deduct it from any payments being made directly to the opted-out physician. If this puts the opted-out physician into an ongoing negative balance, an invoice will be mailed to the opted-out physician.

This process eliminates the need for opted-out physicians to amend their OHIP billing software to calculate the 0.5% discount or manually calculate the 0.5% discount before invoicing their patients.

8. *How is the 0.5% discount being applied?*

The 0.5% discount is being applied by reducing the physician’s total payment at the remittance level via a debit accounting transaction and reporting the discount amount on the Remittance Advice (see question 10). Individual claim items are not being reduced by 0.5%.

9. *Why is the 0.5% discount not being applied at the claim item level?*

The 0.5% discount is not being applied at the claim item level because it is not a fee value decrease but is a discount on all physician payments per the 2012 Agreement.

10. *How will the 0.5% discount be reported on the monthly Remittance Advice (RA)?*

One or more of the following four accounting transaction messages will be included in a new RA report titled “0.5% Discount Accounting Transaction Summary” to identify the 0.5% discount amounts. The report includes the current month totals and the totals to date and will be reported only if the applicable 0.5% discount has been applied to the physician’s remittance:

- “0.5% Discount Opted-In”
- “0.5% Discount Opted-Out”
- “0.5% Discount Automated Premiums”
- “0.5% Discount Primary Care”

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The following is an explanation for each of the above accounting transaction messages:

“0.5% Discount Opted-In” identifies the total 0.5% discount amount* applicable to the total payment being made to an “opted-in” physician for services paid under the “HCP” Payment Program Type.

“0.5% Discount Opted-Out” identifies the total 0.5% discount amount* applicable to an “opted-out” physician calculated against the payments made by OHIP directly to the patients of the opted-out physician.

[* The 0.5% discount amount for the “opted in” and the “opted-out” accounting transactions is not rounded up or down but truncated to two decimal places. For example, 0.5% of \$999.99 is \$4.99995 and will be applied as \$4.99 after being truncated to two decimal places.]

“0.5% Discount Automated Premiums” identifies the 0.5% discount amount** applicable to the automated premiums payment for services claimed under the “HCP” Payment Program Type.

“0.5% Discount Primary Care” identifies the total 0.5% discount amount** applicable to the primary health care contract incentive payments.

[** The 0.5% discount amount for the “automated premiums” and “primary care” accounting transactions is rounded to the nearest penny. For example, \$4.991, \$4.992, \$4.993, and \$4.994 are rounded down to \$4.99; and \$4.995, \$4.996, \$4.997, 4.998 and \$4.999 are rounded up to \$5.00]

As well as the above accounting transaction messages, a separate “0.5% Physician Payment Discount Report” will be included with the monthly RA to show the current month’s total payment amount eligible for the 0.5% discount, the current month’s total 0.5% discount amount and the totals to-date for both the eligible payment amount and the 0.5% discount amount.

11. How is the 0.5% discount being applied if a physician submits claims through one or more physician groups?

The 0.5% discount will be applied to the payments being made to groups per the Group Billing Number that was indicated on the physician’s claim. This is regardless of whether or not the physician is actively affiliated to the group since physicians have six months from the date of service to submit claims for payment. A breakdown of the 0.5% discount deduction amounts by physician will be reported on the group’s Remittance Advice (RA). For each group physician, the report will show the current month total payment amounts eligible for the 0.5% discount, the total amount of the 0.5% discount, and the totals to-date for both.

12. Are payments for manually assessed claims subject to the 0.5% discount?

Payments for claims that are manually assessed by staff at the OHIP claims processing offices are subject to the 0.5% discount for services rendered on and after April 1, 2013.

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13. Are payments for claims submitted “Independent Consideration” (IC) subject to the 0.5% discount?

Payments for approved “IC” claims are subject to the 0.5% discount for services rendered on and after April 1, 2013.

14. Are payments for stale-dated claims subject to the 0.5% discount?

Payments for approved stale-dated claims are subject to the 0.5% discount for services rendered on and after April 1, 2013.

15. Which automated premium payments are subject to the 0.5% discount?

All payments for premiums that are automatically calculated by the OHIP claims processing system are subject to the 0.5% discount:

- a) Access Bonus Payment
 - b) Access Bonus Reconciliation
 - c) After Hours Evening Age <29dy Premium
 - d) After Hours Evening Age <1 Yr Premium
 - e) After Hours Evening Age 1-8yr Premium
 - f) After Hours Evening Age 70-79 Premium
 - g) After Hours Evening Age 80+Yr Premium
 - h) After Hours Night Age <29dy Premium
 - i) After Hours Night Age <1 Yr Premium
 - j) After Hours Night Age 1-8yr Premium
 - k) After Hours Night Age 70-79 Premium
 - l) After Hours Night Age 80+Yr Premium
 - m) Anaesthesia Age <29dy Premium
 - n) Anaesthesia Age <1 Yr Premium
 - o) Anaesthesia Age 1-8yr Premium
 - p) Anaesthesia Age 70-79 Premium
 - q) Anaesthesia Age 80+Yr Premium
 - r) APP EDFAFA Holiday Premium
 - s) APP EDFAFA Seasonal Premium
 - t) APP Flow Through
 - u) APP Shadow Billing (Global Funding) Premium
 - v) Base Rate Payment
 - w) Base Rate Payment Adjustment
 - x) Blended Fee-For-Service Premium
 - y) Blended Premium on Age Premium (Shadow Billing)
 - z) Comprehensive Care Capitation Adjustment
 - aa) Comprehensive Care Capitation Payment
 - bb) Comprehensive Care Capitation Reduction Roster > 2400
 - cc) Geriatric GA
 - dd) Geriatric IA
 - ee) GP Psychotherapy Premium
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- ff) Long-Term Care Capitation
- gg) Long-Term Care Capitation Adjustment
- hh) Paediatric Consult and/or Surgical Age Premium for Child <30 Days
- ii) Paediatric Consult and/or Surgical Age Premium for Child >=30d<1yr
- jj) Paediatric Consult and/or Surgical Age Premium for Child 1yr <2yr
- kk) Paediatric Consult and/or Surgical Age Premium for Child 2yr <5yr
- ll) Paediatric Consult and/or Surgical Age Premium for Child 5yr <16yr
- mm) Specialist SB (Primary Care Premium)

16. Why does the 0.5% discount appear to include automated premium payments for service dates prior to April 1, 2013?

Due to the way that automated premium payments are calculated, it was not possible to isolate specific service dates and therefore the 0.5% discount is calculated on assessment date for the automated premiums payment. The payment for automated premiums for services rendered before April 1, 2013 that is paid after April 1, 2013 will be included in calculating the 0.5% discount amount. However, to compensate for this, when the 0.5% discount is ended, the payment for automated premiums for services rendered “before” the discount end date that is paid “after” the discount end date will not be subject to the 0.5% discount.

17. Are payments for Reciprocal Medical Billings (RMB) subject to the 0.5% discount?

Claims that are submitted with the “RMB” payment program type for services rendered to insured residents of another province are not subject to the 0.5% discount and 100% of the payment will be recovered by OHIP from the patient’s home province.

18. Are payments for Workplace Safety and Insurance Board related medical services subject to the 0.5% discount?

Claims that are submitted with the “WCB” payment program type are not subject to the 0.5% discount and 100% of the payment will be recovered by OHIP from the Workplace Safety and Insurance Board.

19. Are telemedicine services and premiums subject to the 0.5% discount?

The services and premiums paid for Ontario Telemedicine Network (OTN) related services are subject to the 0.5% discount. The 0.5% report on the monthly Remittance Advice will identify the total OTN payment amounts eligible for the 0.5% discount, the total amount of the 0.5% discount, and the totals to-date for both.

20. Which other physician payment programs are subject to the 0.5% discount?

The 0.5% discount will be applied to the clinical funding of the various physician payment programs including:

- a) Anaesthesia Care Team (Kensington Eye Institute)
 - b) Assertive Community Care Treatment Program
 - c) Community Health Centre Physicians
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- d) Divested Provincial Psychiatric Hospitals Funding
- e) Enhanced Care for the Frail and Elderly
- f) Hospital On-Call Coverage Program (Base and Review Funding)
- g) Hospital On-Call Coverage Complex Continuing Care
- h) Hospital Paediatric Stabilization Program
- i) Laboratory Physicians (Hospitals)
- j) Mental Health Sessional Payments
- k) Mental Health Sessional Fee Supplement
- l) Mental Health Sessional Rates Alignment through Health Board Secretariat
- m) Mental Health Stipend
- n) Northern Specialist Locum Programs (excludes travel funding)
- o) Ontario Psychiatric Outreach Program
- p) Physician On-Call Funding
- q) Public Health Physicians
- r) Rural Family Medicine Locum Program (excludes travel funding)
- s) Rural Medicine Incentive Program
- t) Specialty Review Funding
- u) Urgent Care Centres
- v) Visiting Specialist Clinic Program (excludes travel funding)

21. Which other physician payment programs are not subject to the 0.5% discount?

The following physician payment programs are not subject to the 0.5% discount:

- a) Anaesthesia Care Teams (except the Kensington Eye Institute)
- b) Clerkship Stipend Program
- c) Clinical Decision Units
- d) Continuing Medical Education Program (Transitioned from OMA)
- e) Emergency Department Coverage Demonstration Project
- f) Emergency Department Recruitment and Mentorship Program
- g) Geneticist Funding
- h) Infectious Disease Specialists
- i) Laboratory Physicians (Community)
- j) Malpractice Insurance Coverage
- k) Northern Ontario School of Medicine
- l) Northern Physician Retention Initiative (Transitioned from OMA)
- m) Northern and Rural Recruitment and Retention Initiative
- n) Ontario MD Agreement
- o) Physician Health Benefits Program
- p) Pregnancy and Parental Leave Benefit Program
- q) Resident Loan Interest Relief Program
- r) Summer Incentive for Designated Emergency Departments
- s) Telestroke

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22. Where can inquiries be directed for additional information about the 0.5% discount process or about the 0.5% discount reports provided with the Remittance Advice?

If additional information is required regarding the 0.5% discount process or the Remittance Advice reports physicians and their staff can contact OHIP toll free at: 1-800-262-6524 or (613) 548-7981 in the Kingston area.