

Medical Bill Audit Plan (Attachment A)

Medical Bill Audit/Kentucky Fee Schedule

The Medical Bill Audit plan administrator is responsible for ensuring that all personnel reviewing Kentucky claims are educated, knowledgeable, and appropriately trained to apply Kentucky Fee Schedules reimbursement rates. Due to reviews of procedures from recent plan audits, the following list has been compiled and a signature of the plan administrator is required, stating that each item below is being followed in the daily procedures of bill review.

1. Hospitals, Ambulatory Surgery Centers (ASC's), and other facilities submit their statement for services on a form UB04. These claims are subject to the Hospital Fee Schedule (Assigned Cost to Charge Ratio). All in-state ASC's, acute care in-state hospitals, and other hospitals that are in bordering states may be found on the Department of Workers' Claims (DWC) website at:

Labor.ky.gov

Click on

- a. **Worker's Compensation**
- b. **Medical Services**
- c. **Hospital Fee Schedule**

If an out of state facility has submitted a statement for services and there is no assigned cost to charge ratio, the payer should instruct the provider to contact the DWC for instructions on the documentation needed to assign their facility an appropriate cost to charge ratio.

The assigned cost to charge ratios for all facilities are updated every year on April 1.

Total charges submitted on a **UB04** are multiplied by the assigned cost to charge ratio. **NO part of the charges, including implants, listed on the UB04 may be "carved out" and paid by any other method.**

2. Statement for services billed on **Form HCFA 1500** are subject to the most current **Schedule of Fees for Physicians**. This fee schedule is updated every two years. Providers must use **CPT/HCPCS codes from the appropriate Schedule of fees for Physicians**. The Schedule of Fees for Physicians is available to purchase on the DWC website at:

Labor.ky.gov

Click on

- a. **Workers' Compensation**
- b. **Medical Services**
- c. **Important links**

The Fee Schedule may be purchased online with a credit card or an order form may be printed and mailed with a check or money order.

3. If a contract is in place with a provider, a discount may be taken, however, no further discounts should be taken by “**blind PPO’s**” that the provider has not contracted with.

4. Use of NCCI Edits:

National Correct Coding Initiative (NCCI) edits were developed by the Centers for Medicare & Medical Services (CMS) to promote national correct coding methodologies. The purpose of the NCCI edits is to prevent improper payment when incorrect code combinations are reported. CMS annually updates the National Correct Coding Initiative Coding Policy manual. This Coding Policy Manual and NCCI edits may be utilized for correct coding, **however, when a conflict between the NCCI edits and the current Kentucky Schedule of Fees for Physicians arises, the guideline policies dictated by the Kentucky Workers’ Compensation Schedule of Fees for Physicians will prevail. See page 1 of the 2022 fee schedule.**

(Plan Administrator Signature)

(Date)

(Plan name and DWC assigned number)