

*December 11, 2008  
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**To: PCP and Specialty Physicians,  
Hospitals and Facilities**  
**Contracts Affected: Managed Care, Traditional,  
Medicare Advantage**

*The following bulletin contains information regarding BlueCross BlueShield's upcoming fee schedule changes.*

## **2009 Fee Schedule Update**

BlueCross BlueShield of Western New York performs an annual assessment of our fee schedule and reimbursement methodology. Following careful consideration over the past several months, we are pleased to announce that our revised fee schedule will become effective January 15, 2009. Highlights of the new fee schedule are as follows:

### **Managed Care, Traditional**

- Evaluation and Management codes will be increased by 7.5 percent in the aggregate.
- There are no decreases on any codes for these two lines of business.
- Our fee schedule continues to be based on the Relative Value Unit (RVU) assigned to each code under the Medicare Resource Based Relative Value System (RBRVS). This allows us to use a consistent method for determining pricing for all codes. RVUs from the first quarter of 2008 were utilized.
- A site-of-service payment differential continues to be applied to *some* services performed in a physician's office versus when they are performed in a facility. The payment provides an incentive for physicians to perform appropriate services in their offices when the services can be done safely and effectively.

Our ultimate goal remains to transition to a common conversion factor. While we were not able to do that fully in the second year of this process, we are well on the way to being able to do that in subsequent years' fee schedule updates.

### **Medicare Advantage**

- We are pleased to announce an important benefit upgrade for Medicare Advantage (Senior Blue) members. Effective January 1, 2009, BlueCross BlueShield will no longer require a PCP referral for specialists within our extensive Medicare Advantage provider network.

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- Our fee schedule will remain at the same level of payment as 2008 as the fee schedule exceeds the prevailing Medicare reimbursement.
- A site-of-service payment differential continues to be applied to *some* services performed in a physician's office versus when they are performed in a facility. The payment provides an incentive for physicians to perform appropriate services in their offices when the services can be done safely and effectively.

**If we are basing the fee schedule on 2008 codes, how will new codes for 2009 be reimbursed?**

New codes will be reimbursed based on the percent of 2008 Medicare where the corresponding Current Procedural Terminology (CPT) range falls within our fee schedule. If the code is subject to the site-of-service differential, site-of-service will be applied.

**How do I obtain a copy of the 2009 fee schedule?**

The fee schedule will be available for download in Excel format from our secure web site at [www.bcbswny.com](http://www.bcbswny.com) on December 15, 2008.

**Questions?**

If you have any questions regarding this bulletin, please contact your Network Services representative at 1-800-666-4627.

*Note:* This notice does *not* pertain to injectable pricing, durable medical equipment (DME) or immunizations.