HAAD Mandatory Tariff List

Features, Rate Setting Methodology, and Impact

Version: V2012 -Q2.





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1 Overview

- In delivering against our vision "To Ensure Reliable excellence in Healthcare to the Community" a series of initiatives has been taken to sustain the market. The Mandatory Tariff and associated Claims and Adjudication Rules, as well as internationally refined Diagnosis Related Groups (DRG) Prospective Payment System, are key initiatives that have produced a positive impact on the healthcare system.
- The Mandatory Tariff rate is the Gross Amount due to the healthcare providers for services performed for insured patients and acts as the minimum insurance reimbursement rate¹. The Mandatory Tariff List objective is to set the right rate for the right care, and act as a shield for sudden inflation or deflation of healthcare cost. By including a rate for almost all the healthcare services the Mandatory Tariff as well has act as a market enabler by driving the interest of the private sector to invest in new and innovative services that haven't traditionally been offered, or underserved, in Emirates of Abu Dhabi
- The Mandatory Tariff V2010-Aug (formerly known as Basic Product List, publication in August of 2010) was the first published rates list that is solely based on the "Relative Value Unit" (RVU); in the absence of cost data, RVUs are considered to be the most scientific and fair reimbursement scale to use. Along with the use of RVUs, the historical market rates, and market overall healthcare cost were used to establish the Mandatory Tariff V2010-Aug, notwithstanding has allowed for significant increase over the previous rates to enhance the insurance payment and further encourage investment in the healthcare market.
- Through the natural evolution, V2011-Q2 has started to suffer from increasing issues, as outlined in section 2, which necessitated the publication of new Mandatory Tariff (V2012-Q2) and revised Claims and Adjudication rules. The new rates list (V2012-Q2) has been established using the 2011 codes sets (CPT, HCPCS, CDA and ICD9-CM), and RVUs. Due to the significant rates increase in the Mandatory Tariff V2010-Aug, and the low visibility to the cost of healthcare services in the Emirate, the Health Authority-Abu Dhabi is issuing a V2012-Q2 rate list that is to be price-inflation free. To verify the final calculations and methodology of the new rate list and future rate lists, the Health Authority-Abu Dhabi will be conducting cost analysis, using experienced and qualified consultant, for the purpose of using the collected data as the basis of the future rates.
- The new Mandatory Tariff (V2012-Q2), rate setting methodology as well as the update frequency, schedule and implementation process (including market consultation) of the Mandatory Tariff has been made available to the market in Claims and Adjudication Rules Updates and Revisions section, which is published on HAAD website²

¹ Subject to member liability: Deductible, copay, coverage inclusion and exclusions ...etc.

² https://www.shafafiya.org / Prices / Mandatory Tariff & Adjudication Rules.



2 V2012-Q2 Mandatory Tariff List Features:

 In its internal review and through the market feedback received, HAAD has identified several areas in need of enhancement as well as recommended changes in the rate setting methodology used to establish the current Mandatory Tariff (V2011-Q2):.

2.1 Upgrade the coding system from 2008 to 2011 code sets.

- V2012-Q2 Mandatory Tariff List is based on 2011 CPT, HCPCS, CDA code sets. This is a required maintenance to the system to accommodate the billing and payment for expanded clinical care offered and introduction of new technology in Emirate of Abu Dhabi.
- The new version (V2012-Q2) is now acting as the singular and comprehensive reference of all codes available for billing / reporting of healthcare activities in Emirate of Abu Dhabi.

2.2 Overall Improvement of rates structure.

- The Mandatory Tariff V2010-Aug (formerly known as Basic Product Pricelist), was published in August of 2010. The current rate list is created on the basis of maintaining constant (+/- 1%) overall healthcare spend for the Basic Product. while establishing a more enhanced distribution of rates:
 - Setting the reimbursement rates using 2011 Relative Value Units (RVUs); in the absence
 of cost data, Relative Value Units (RVUs) are considered the best available proxy for
 establishing rate differential.
 - Establishing higher monotonicity rate level between reimbursement rates over the former List, to ensure no services with lower complexity is paid at higher rate than the same service with higher complexity.
 - Establishing a narrower and more localization factor per service category. (Surgeries, Laboratory, Radiology, Medicine (medical Services) and Evaluation and Management)
 - Brining the rate of excessively overpaid and excessively underpaid services to more reasonable rates relative to its category. 280 services were identified as excessively overpriced and 146 were identified as excessively underpriced in the current List³..
 - Accounted for the major market constrains, demand and supply, and underserved sectors. V2012-Q2 has a higher reimbursement rates for:
 - Outpatient Evaluation and Management reimbursement rates, to offset the impact of the increase in the pay-scale of clinician and physicians.
 - Enhanced localization factor for psychiatric and Homecare services to enhance the investment in under underserved sectors.
 - Medical and Surgical Day Stay per-diem enhanced and differentiated rates to improve the utilization of outpatient services.

Services considered excessively overpriced if 2011-Q2 price was > 130% Medicare 2011, and excessively underpriced if 2011-Q2 price was < 70% of Medicare 2011* final localization rate (Medicare USD per RVU 2011 = 33.9764, USD per AED = 3.672).</p>



2.3 IR-DRG reimbursement for the inpatient admissions with high cost implants and supplies,

- Short-term as well as long-term fixes have been established in the Mandatory Tariff V2012-Q2 as the associated Claims and Adjudication rules to enhance the reimbursement for the inpatient admissions with high cost implants and supplies:
 - Short-term fix: V2012-Q2 Mandatory Tariff IR-DRG weights have been established using available supply/implant collected directly from Abu Dhabi market.
 - Long-term fix: the Health Authority has amended the Claims and Adjudication rules, as well as the e-claim business rules to mandate the reporting of the cost⁴ (as defined in the DRG standard) of the implant or supply in the transmitted claim. The future IR-DRG weigh update methodology will be utilizing the reported cost in calculating the new DRG weights.

2.4 Revised Claims and Adjudication rules and the inclusion of Medically Unlikely Edits

- Claims and adjudication rules document has maintain several of the rules included in the former version however several sections have been added to provide the much required clarity on the acceptable billing and adjudication rules in Emirate of Abu Dhabi such as: section 4.2.1.7 "Venipuncture and Injection Procedures" and 4.2.1.7 Blood and blood products. Refer to the Claims and Adjudication Rules V2012-Q2 for details.
- o In new version of the Claims and Adjudication rules (V2012-Q2), and in its effort to minimize improper coding of healthcare services rendered, the Health Authority Abu Dhabi has introduced the Medically Unlikely Edits (MUE); which represents frequencies in which a service is rendered typically based on clinical rationale. These edits define the maximum units of service provided to a single beneficiary on a single date of service, many of which are based on medical and anatomical limitations.

⁴ Refer to section 4.4.1 in the Claims and Adjudication Rules V2012-Q2 for details.



3 Rate Setting Methodology

3.1 Fee for Service and Per-diem Codes.

3.1.1Input files:

3.1.1.1 2011 CDA, HCPCS, and CPTS Code Sets

2011 Code sets approved by Clinical Coding Steering Committee. Review CCSC MoM⁵ for details.

3.1.1.2 Medicare Relative Value Unit (RVU) 20116.

- Relative value units are based entirely on the resource-based system. Under the resource-based system, the provider's practice expense relative value units are segregated into facility and nonfacility settings. HAAD used:
 - Total Fully Implemented Facility Relative Value Unit (RVU) 2011: due it its relevance to
 the setting of Abu Dhabi (majority of surgeries and major procedures are performed in
 hospital setting, the fully implemented resource-based practice expense for facility
 where used in setting the prices for surgeries and procedures (CPT codes range: 1002169990).
 - Total Fully Implemented Non-Facility RVUs 2011: Used for all CPTs; other than surgeries and procedures (CPT codes range: 10021-69990).

3.1.1.3 Medicare 2011 Clinical Diagnostic Laboratory Fee Schedule (CLAB)⁵

- Medicare 2011 Clinical Diagnostic Laboratory Fee Schedule was used for establishing the rate for the Laboratory Services, due to the absence of in Medicare RVUs 2011. The data selection from the CLAB was in accordance with the following hierarchy:
 - US National Limitation Amount, or
 - Median of the 2011 Base Fee Amounts, or
 - Average of laboratory rates of all states.

3.1.1.4 Medicare Anesthesia Base Units⁵

 Medicare 2011 Anesthesia Base Units were used on "as is" basis for the purpose of calculation of anesthesia reimbursement rates.

 $^{^{5}}$ CCSC MoM agenda ID 003 dated 17-02-2010 and agenda ID 045 dated 19 Oct 2010.

⁶ CMS website http://www.cms.gov



3.1.1.5 HAAD current Mandatory Tariff (V2011-Q2).

 HAAD published Mandatory Tariff V2011-Q2, as rate input for services with no RVUs and as a control reference of the increase / decrease of the item rate.

3.1.1.6 Market Rates and utilization - KEH.

- Market utilization rates were used for
 - Calculation of the financial impact of the rate changes.
 - Credible Market rates where used for rate setting purposes. Rate was considered credible if met the following conditions:
 - 1. Credible count: if activity count is greater than or equal to 10.
 - 2. Credible Average rate: if Rate Avg. = or < Minimum rate times 3.
- Data Selection Parameters:
 - Source: KEH,
 - Activity date range: May 2010 April 2011,
 - Activity Type: Outpatient Activity Count
 - Product: Basic Insurance Product.

3.1.1.7 Market localization factors set by Healthcare project - 2010.

- Localization factors set by consultants for establishing V2010-Aug and V2011-Q2 rate list:
 - Surgeries and Procedures (CPT range 10021 69979) = 90% of Medicare 2008 RVU1.
 - Radiology & Radiation (CPT range 70010–77799) = 49.5% of Medicare 2008 RVU1.
 - Laboratory (CPT range 80047–89398) = 90% of Medicare 2008 RVU1.
 - E&M Office (99201-99215) and Ophthalmology (92002-92014) = 32.5% of Medicare 2008 RVU1.
 - Medicine (Medical Services) (CPT range 90281–99605, excluding 99201-99215 & 92002-92014) either 32.5% or 90% of Medicare 2008 RVU⁷.

3.1.2 Fee for Service Rate Calculations, before localization.

- The following steps were applied in the order provided to establish "per Code the Fee for Service" rate before localization:
 - 1. If RVU is are available: apply formulas
 - Before localization Fee for Service Rate = RVU multiplied by [AED per RVU]
 - [AED per RVU] = [Medicare USD per RVU]⁽⁸⁾ multiplied by [USD per AED]⁽²⁾.

 $^{^{7}}$ Medicare USD per RVU 2008 = 38.0870, USD per AED = 3.672.

⁸ Medicare USD per RVU 2011 = 33.9764, USD per AED = 3.672.



2. Laboratory Rates

- Due to the absence of RVUs for laboratory services (CPT range 80047 to 89398) in Medicare RVU reference, Medicare Clab files was used in establishing the required RVU.
- Laboratory US\$ price were converted into RVU using the following formula:
 - Laboratory RVU = US Clab rate / Medicare USD Per RVU⁽²⁾
- Calculated RVUs were used in setting Laboratory rates using rules #1.
- If no RVUs or US\$ Laboratory price available HAAD Mandatory Tariff V2011-Q2 rates were used as established.
- If rate not available in Mandatory Tariff V2011-Q2, credible market rates from KEH were utilized. Market rate is considered credible if
 - Activity count = greater than 10
 - Market Average Price is = or < Minimum Price multiplied by 3
 - Appendix 6 includes a listing of market price used.

3.1.3 Localization of established Fee for Service Rates

 Calculated rates adjusted to reflect the variation in practice costs in Abu Dhabi with +/- 1% Basic Product historical cost (overall and per service category: E&M, Laboratory, Radiology ...etc) as the rate inflation benchmark.

3.1.3.1 Evaluation and Management (E&M), and related services.

- Objective: increase the Evaluation and Management reimbursement rate by ~ 30%; this would increase the average payment of E&M for the Basic Product members from AED 68 to AED 88 in hospital setting.
- Due to the higher credibility of the E&M coding, the calculation was performed utilizing Abu Dhabi hospital based E&M consultations for calculation of E&M distribution and establishing the localization factor⁹.
- Localization factor was set at 36% of Medicare 2011 reimbursement rates. See Appendix 3 and 4 for the E&M distribution and Localization factor calculation.
- Due to the similar resource utilization pattern and nature of the service rendered, E&M localization factors were applied to the following codes ranges:

| 90951-90999 | End-Stage Renal Disease Dr. Visit | 99324-99337 | E&M Rest Home Care Services |
|-------------|-----------------------------------|-------------|--|
| | Ophthalmology Dr. Visit | 99339-99340 | E&M Rest Home Care Plan Oversight Services |
| 92002-92014 | | | |
| | Medical Nutrition Therapy | 99341-99350 | E&M Home Services |
| 97802-97804 | | | |

o 9 The higher level E&M code when more than one E&M code is coded per claim.



| 98966-98969 | Non-Face-To-Face Non-physician Services | 99354-99360 | E&M Prolonged Services |
|-------------|--|-------------|--|
| 99000-99091 | Special Services, Procedures and Reports | 99363-99368 | E&M Case Management Services |
| 99201-99215 | E&M Office/Other Outpatient Services | 99374-99380 | E&M Care Plan Oversight Services |
| 99217-99220 | E&M Hospital Observation Services | 99381-99429 | E&M Preventive Medicine Services |
| 99221-99239 | E&M Hospital Inpatient Services | 99441-99444 | E&M Non-Face-To-Face Physician Services |
| 99241-99255 | E&M Consultations | 99450-99456 | E&M Special Evaluation & Management Services |
| 99281-99288 | E&M Emergency Dept. Services | 99460-99465 | E&M New-born Care Services |
| 99291-99292 | E&M Critical Care Services | 99466-99480 | E&M Inpatient Neonatal Intensive |
| 99304-99318 | E&M Nursing Facility Services | 99500-99602 | Home Health Procedures/Services |

 To maintain the monotonicity of the price deferential, the above listed ranges were not subject to capping.

3.1.3.2 Medicine (Medical Services) Fee for Service Codes.

- Medicine (Medical Services), CPT range 90281– 99605, excluding codes mentioned in the Evaluation and Management and other related services, rates were set using localization factor of 86% of Medicare 2011 reimbursement rates, which equated to 100% of aggregate charges of Basic Product members for the selected period.
- Minimize the impact of the sudden changes of the rates, by capping the individual code rate change at -/+ 30% relative to the current rates. To further enhance rate appropriateness,
 - Rates of excessively high-priced services- after the application of 30% capping- were set at 130% of Medicare rates for 2011.
 - Prices for excessively low-priced services- after the application of 30% capping- were set at 70% of the localized Medicare for category.

3.1.3.3 Surgeries and Procedures Codes.

- Surgeries and Procedures (CPT range 10021 69979) rates were set at localization factor of 100% of Medicare 2011 reimbursement rates.
- Minimize the impact of the sudden changes of the rates, by capping the individual code rate change at -/+ 30% relative to the current rates.. To further enhance price appropriateness,
 - Rates of excessively high-priced services- after the application of 30% capping- were set at 130% of Medicare rates for 2011.
 - Prices for excessively low-priced services- after the application of 30% capping- were set at 70% of the localized Medicare for category.

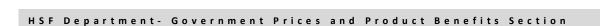
3.1.3.4 Radiology and Laboratory:

 Due to the similarity in resource utilization patterns Radiology (CPT range 70010- 77799) and laboratory (CPT range 80047- 89398) the variance in the localization factor of these two service



categories were minimized and were set at Radiology 57% and Laboratory 73% of Medicare 2011 reimbursement rates.

- Laboratory codes 86078, 86079 and 88720 were set based upon rates in Decree # 40 for 2006 of the cabinet of the UAE.
- Minimize the impact of the sudden changes of the rates, by capping the individual code rate change at -/+ 30% relative to the current rates.. To further enhance price appropriateness,
 - Rates of excessively high-priced services- after the application of 30% capping- were set at 130% of Medicare rates for 2011.
 - Prices for excessively low-priced services- after the application of 30% capping- were set at 70% of the localized Medicare for category.





3.1.3.5 Service Codes

With exception of Per-diem - Day Stay (codes 25-01 and 25-02) and Dressing Codes (51-01, 51-02, and 51-03) all other codes prices – unless retired – have remained the same.

Per-diem - Day Stay Code

- Codes 25-01 "Per-diem Surgical Day Stay" and 25-02 "Per-diem Surgical Day Stay "established to replace the retired code 25 "Per-diem - Day Stay".
- Per-diems weren't established using RVU; changes in the service rates were factored in the calculation of the new rates. Refer to appendix 5 for rate calculation of the new codes.

Dressing Codes:

- The following codes have been newly created for reimbursement of dressing performed within the E&M follow-up period, refer to the claims and adjudication rules on the use of the new codes.
- 51-01: Non-surgical cleansing of a wound without debridement, with or without local anesthesia, with or without the application of a surgical dressing: 16 sq. inches / 100 sq. centimeters or less."
- 51-02: Non-surgical cleansing of a wound without debridement, with or without local anesthesia, with or without the application of a surgical dressing: between 16 sq. inches / 100 sq. centimeters and 48 sq. inches / 300 sq. centimeters."
- 51-03: Non-surgical cleansing of a wound without debridement, with or without local anesthesia, with or without the application of a surgical dressing: more than 48 sq. inches / 300 sq. centimeters."
- The rates for the dressing codes have been established based on the reimbursement rates offered in the northern emirates.

3.1.3.6 *HCPCS* codes:

- Majority of the HCPCS rates have been migrated from the V2011-Q2 Mandatory Tariff.
- Blood and blood product rates were set based upon Decree # 40 for 2006 of the cabinet of the UAE.

3.1.3.7 Retired and Replaced Codes, and special rate

- Rates of retired and replaced, and where a crosswalk was possible to establish, were migrated "as is" to the V2012-Q2 List.
- Rates for injections IM, IV and SC have been set at unified rates of AED 20, to establish a rate differential between injections and lowest level of E&M.
- Appendix 6 includes a listing of migrated codes, market price used and codes with special pricing.

3.2 DRG codes

- Summary of the methodology in reflected in Appendix 1 of this document.
- Detailed IR-DRG update methodology available at HAAD website, <u>www.shafafiya.org</u> / Prices / Mandatory Tariff / DRG Weight Update - 2012Q2 v.12.xlsx.



3.2.1.1 Dental Codes

 Mandatory Tariff List includes the comprehensive list of CDA codes, however no dental rates have been set in this version.



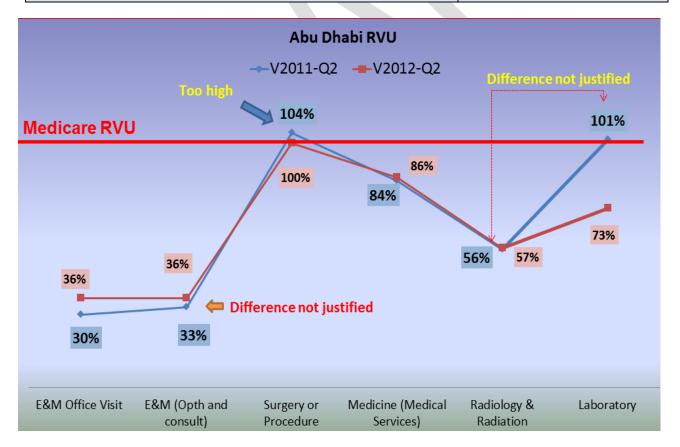


4 New Rates Impact

4.1 Abu Dhabi RVU 2012

The final Abu Dhabi Relative Value Units in comparison to Medicare RVU 2011 are as the following:

| 10.10.41.11.61 | Abu Dhabi RVU 2012 |
|--|--------------------|
| Service Category | vs. |
| | Medicare RVU 2011 |
| Laboratory (CPT range 80047–89398) | 73% |
| Medicine (Medical Services) (CPT range 90281–99605 excluding listed E&M) | 86% |
| Radiology & Radiation (CPT range 70010–77799) | 57% |
| Surgeries and Procedures (CPT range 10021 – 69979) | 100% |
| E&M Office Visit (99201-99215) | 36% |
| Other E&M Outpatient (92002-92014, 99241-99255) | 36% |
| Average RVU | 90% |





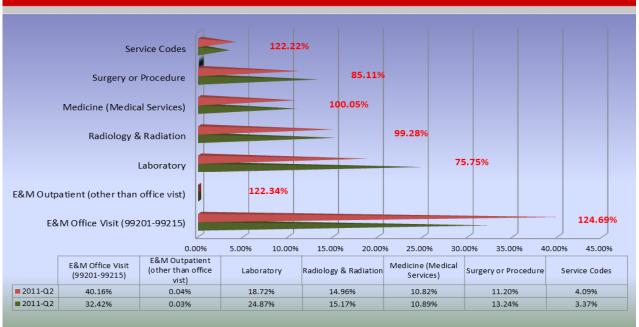


4.2 Financial Impact

- Calculated rates adjusted to reflect the variation in practice reimbursement from insurance in Abu Dhabi with +/- 1% Basic Product historical reimbursement from insurance (overall and per service category) as the rate inflation benchmark.
- Using the Mandatory Tariff V2012-Q2 rates, the aggregate charges distribution in 2012 using 2011 utilization is expected to be as the following:

| Service Category | Aggregate charges distribution 2012 vs. 2011 |
|--|--|
| Laboratory (CPT range 80047–89398) | 76% |
| Medicine (Medical Services) (CPT range 90281–99605 excluding listed E&M) | 100% |
| Radiology & Radiation (CPT range 70010– 77799) | 99% |
| Surgeries and Procedures (CPT range 10021 – 69979) | 85% |
| E&M Office Visit (99201-99215) | 125% |
| Service Codes | 122% |
| Other E&M Outpatient (92002-92014, 99241-99255) | 122% |
| Diagnosis Related Groups (CMI) | 100% |
| Totals Net impact | 100.66% |

Basic Product Payment Split (2011 Vs 2012)



- Source: Outpatient Activity Count Source: KEH Data, May 2010 April 2011
- Using average cost * quantity for Service codes other than Dressing and Perdiem-Day Stay.



5 Appendices

Appendix 1:

Calculation (Revised): Methodology and process

| Input (Data Source) | Throughput (Calculation) | Output (Price Localization) |
|---|--|---|
| Medicare RVU 2011. Medicare C-Lab 2011. Medicare anesthesia BASE Units. | Rate Calculations; Tariff = RVU* AED per RVU AED per RVU = Medicare USD per RVU(1) * USD per AED(2). | Calculated rates adjusted to reflect the variation in practice costs in Abu Dhabi with +/- 1% Basic Product historical cost (overall and per service category) as the price inflation |
| HAAD MT 2010-Aug and 2011-Q2. | If RVUs are available: apply the formula. If no RVUs but USD prices | Calculate E&M distribution and rate (with the required increase). |
| Market Rates and utilization - KEH. | available: convert average US price into RVU ₍₁₎ before applying the formula. | Establish the rates and cost of for new service codes. RVUs as monotonicity scale for CPTs of |
| HAAD analysis of the E&M cost | If No RVUs or USD prices available use HAAD MT (2010 & 2011). | - DV/III + + + + - + + |
| Market localization factors set by Healthcare project - 2010. | If not available, then credible market rates from KEH. (count =or> 10, and avg Price = or < Min*3) If not available, SEHA rates used (very limited) | brought closer to each other. Cap price changes to -/+ 30% versus current mandatory tariff. |
| 1 – USD per RVU = 33.9764 2- USD per AED = 3.672 | | the Medicare after localization) where limited to aforementioned caps |



Appendix 2:

Method of localizing IR-DRGs' Weights.

Calculate Cost

Assign DRG

Adjust Weights

- Calculate total Cost of each claim as per DRG standard, using the new Mandatory Tariff 2012 Q2 for all activities
- Removed claims with suspected improper codes*
- Where no HCPCS Cost is defined, use KEH weighted average Activity. Net then adjusted by Available Market HCPCs price list
- Adjust for incorrect input data*, e.g., if Activity.
 Quantity >1 for a drug**

- Group each claim using HAAD's grouper IR DRG 2.3 version
- Assign weight

Update all DRG weights simultaneously to maximize correlation between Cost and Weights while respecting specific constraints

- account for differential credibility of data*** among individual DRG weights
- maintain relationship between severity levels****
- keep Basic Product total casemix constant

Claims sample should be

- large (improves credibility)
- recent (improves sensitivity)
- · anomaly-free (improves specificity)

^{*} Excluded claims: where providers are not HAAD licensed, long term care related, or admission prior to 2010

^{**} Some facilities appear to report unit quantity, rather than package quantity. Provided better estimate for the drugs cost by using the drug cost = ActivityNet if Activity Net> 0, otherwise = ActivityQuantity* UnitPublicPrice

^{***} For instance, for some DRGs there may only be a few claims, (lower credibility), while others have more data (higher credibility) as a basis for updating

^{****} For a given base DRG, a high severity case should always have a higher weight than a low severity case



Appendix 3 Establishing Levels Distribution....

| | | | New | Patient | Visit | | Established Patient Visit | | | | |
|-----------------|--|-------|-------|---------|-------|------|---------------------------|-------|-------|-------|------|
| | Level | - 1 | II | III | IV | V | I | П | III | IV | V |
| Current | Using Adjusted Medicare distribution | 1.2% | 3.6% | 5.9% | 3.5% | 2.5% | 4.2% | 10.8% | 40.3% | 25.4% | 2.7% |
| Distribution 1 | Using All Hospitals experience - All Products | 10.5% | 15.6% | 5.6% | 1.2% | 0.3% | 10.4% | 22.4% | 25.0% | 8.4% | 0.7% |
| Distribution 2 | All hospitals after 6mos of coding (May, Jun, &Jul) - All Products | 10.0% | 15.4% | 5.5% | 1.2% | 0.3% | 7.2% | 24.0% | 26.9% | 8.9% | 0.7% |
| Distribution 3* | E&M consultations for hospitals only (Basic Only) | 13.6% | 18.5% | 6.8% | 1.2% | 0.2% | 5.1% | 21.0% | 25.7% | 7.2% | 0.6% |
| Distribution 4 | Certified Facilities only - May month - All Products | 2.4% | 9.5% | 9.3% | 1.3% | 0.4% | 5.8% | 20.7% | 34.2% | 15.9% | 0.5% |
| Distribution 5 | Certified Facilities only - Including experience after - All Products certification only (dominated by 1 Private hospital) | 2.7% | 10.9% | 11.2% | 1.6% | 0.4% | 7.6% | 16.1% | 29.8% | 19.0% | 0.6% |

Distribution 1, 2, 4, and 5 are calculated using Oct 2010-March 2011 activities Distribution 3 are calculated using Jan to Sept 2011 activities

- *Distribution 3 was used:
- Basic product specific.
- Higher credibility as hospitals had access to coders.
- Sizable activity.
- Accounts for seasonality effect



Appendix 4 Calculation of the new E&M rates....

| Objective: | | | | | |
|--|----------------------|---------------|-----------------|---------------------|---------------------------|
| Using Abu Dhabi E&M consultations for | hospitals only, to | increase t | he consultation | payment by 30% (AED | 88 for the basic Product) |
| Service Codes consultations for hospitals on | ly*** | | | | |
| KEH Experience from may 2010 to April 2011 | - Mandatory Tariff 2 | 012 experie | nce period | | |
| | New & | Established I | Patients | All | |
| Designation Level | GP | Specialist | Consultant | | |
| Current Basic Plan Price | 45 | 85 | 112 | | |
| Activity Count (Basic) | 512596 | 361821 | 132248 | 1,006,665 | |
| Distribution (Basic) | 51% | 36% | 13% | 100% | |
| Basic Plan Avg payment | | | | 68.00 | |
| Activity Count (All Products) | 1,372,332 | 2,179,644 | 801,272 | 4,353,248 | |
| Distribution (All Products) | 32% | 50% | 18% | 100% | |
| All Products Avg payment | | | | 77.00 | |
| E&M consultations for hospitals only | | | | | |
| KEH Experience from January 2011 to Decem | | 46 - 6 - 6 6 | | | ada la cadad assistato |

| | W1100000000000000000000000000000000000 | New Pal | tient Visit | | | | Establish | ed Patie | nt Visit | | Weighted Average |
|---|--|---------|-------------|-------|-------|-------|-----------|----------|----------|-------|---------------------|
| CPT Code | 99201 | 99202 | 99203 | 99204 | 99205 | 99211 | 99212 | 99213 | 99214 | 99215 | |
| Level | - 1 | - 11 | 111 | IV | V | - 1 | - 11 | 111 | IV | V | |
| E&M consultations for hospitals only (Basic Only) | 13.6% | 18.5% | 6.8% | 1.2% | 0.2% | 5.1% | 21.0% | 25.7% | 7.2% | 0.6% | 88.00 |
| E&M consultations for hospitals only (All Products) | 9.7% | 15.6% | 6.9% | 1.3% | 0.3% | 7.4% | 20.5% | 27.9% | 9.8% | 0.7% | 89.00 |
| 2011 E&M Medicare (Not Localized) | 175 | 302.4 | 438.2 | 672 | 833 | 78.4 | 173.6 | 292.6 | 431.2 | 581 | 270.0 |
| 2011 Mandatory Tariff E&M Price | 45 | 78 | 114 | 175 | 220 | 24 | 46 | 75 | 113 | 153 | |
| 2012 Mandatory Tariff E&M Price | 63 | 109 | 158 | 242 | 300 | 28 | 62 | 105 | 155 | 209 | |
| | | | | | | | | | | | |

New E&M Localization factor (Medicare RVU to AED 125)

36.0%



Appendix 5 Code 25-01 and 25-02 Pricing

Surgical and Medical perdiem prices were set based on the below assumed included services, to enhancing the pricing of those periderms in future, reporting of all included services is now mandatory.

Assumptions and calculation of financial impact:

Code 25 utilization was split into medical and surgical based on the following logic:

- Using KEH Data for the defined period
- -Total count of code 25 with and without Surgical CPTs.
- Case is surgical if code 25 is present, the code is between 10000 and cost of CPT exceeds 1,000,

| Inclusion of the r | new codes | | |
|--------------------|---------------------------------------|------------|--|
| ervice Code | Service | FFS charge | Remarks |
| 5-01 | Recovery Room - Hourly Rate | 150 | 1 unit |
| | Consultation | 0 | Not billable on the day of surgery |
| | Day Stay (Day care) Room - Daily Rate | 300 | 1 unit |
| | Operating Room Services - First Hour | 1050 | 50% minor and 50% "OR 1st hr." |
| | Drug & Supplies | 100 | Estimate, not inclusive of high cost drugs and supplies |
| | | | Estimate, diagnostics required on the day of service only, |
| | Lab & Rad | 100 | not inclusive of high cost radiology tests |
| | Total | 1700 | |
| 5-02 | Day Stay (Day care) Room - Daily Rate | 300 | 1 unit |
| | Consult | 88 | Avg consultation charge |
| | Drug & Supplies | 50 | Estimate, not inclusive of high cost drugs and supplies |
| | | | Estimate, diagnostics required on the day of service only, |
| | Lab & Rad | 140 | not inclusive of high cost radiology tests |
| | Total | 578 | |
| | | | |





Appendix 6: Retired and Replaced Codes, and special rates

| 2011 Code | 2008 Code (if replaced) | Price | Remark |
|-----------|----------------------------|-----------|-------------------------|
| 0019T | | 385.00 | Market Rate |
| 0055T | 20986 | 575.00 | Migrated Price |
| 0055T | 20987 | 575.00 | Migrated Price |
| 0055T | 20986 | 575.00 | Migrated Price |
| 14302 | 14300 | 3,518.00 | Migrated Price |
| 22856 | 0090T | N/A | |
| 22861 | 0096T | N/A | |
| 22864 | 0093T | N/A | |
| 36148 | 36145 | 1,562.00 | Migrated Price |
| 36468 | | 750.00 | Market Price |
| 41530 | 0088T | N/A | |
| 45172 | 45170 | 2,415.00 | Migrated Price |
| 46930 | 46934 | 1,218.00 | Migrated Price |
| 51729 | 51772 | 864.00 | Migrated Price |
| 51729 | 51795 | 1,066.00 | Migrated Price |
| 55706 | 0137T | N/A | |
| 63621 | 61793 | 3,997.00 | Migrated Price |
| 63664 | 63660 | 1,393.00 | Migrated Price |
| 75791 | 75790 | 354.00 | Migrated Price |
| 76140 | | 50.00 | Market Price (SEHA) |
| 77786 | 77781 | 467.00 | Migrated Price |
| 77786 | 77782 | 1,082.00 | Migrated Price |
| 77786 | 77783 | 1,988.00 | Migrated Price |
| 77787 | 77784 | 3,614.00 | Migrated Price |
| 78451 | 78464 | 509.00 | Migrated Price |
| 78452 | 78465 | 940.00 | Migrated Price |
| 78453 | 78460 | 393.00 | Migrated Price |
| 78454 | 78461 | 387.00 | Migrated Price |
| 86077 | | 75.00 | Fixed Price |
| 86078 | | 75.00 | Fixed Price |
| 86079 | | 75.00 | Fixed Price |
| 88720 | 88400 | 26.00 | Migrated Price |
| 89259 | | 1,300.00 | Market Price |
| 89280 | | 10,400.00 | Market Price |
| 89281 | | 10,400.00 | Market Price |
| 90460 | 90467 | 15.00 | Migrated Price |
| 90461 | 90466 | 13.00 | Migrated Price |
| 90461 | 90468 | 13.00 | Migrated Price |
| 90471 | | 20.00 | Migrated & Unified Rate |
| 90472 | | 20.00 | Migrated & Unified Rate |



| 90473 | | 11.00 | Migrated & Unified Rate |
|-------|-------|----------|-------------------------|
| 90474 | | 11.00 | Migrated & Unified Rate |
| 90889 | | 50.00 | Market Price (SEHA) |
| 90967 | 90922 | 67.00 | Migrated Price |
| 90967 | 90918 | 2,041.00 | Migrated Price |
| 90968 | 90923 | 49.00 | Migrated Price |
| 90968 | 90919 | 1,491.00 | Migrated Price |
| 90969 | 90924 | 42.00 | Migrated Price |
| 90969 | 90920 | 1,287.00 | Migrated Price |
| 90970 | 90925 | 26.00 | Migrated Price |
| 90970 | 90921 | 794.00 | Migrated Price |
| 92570 | 92569 | 39.00 | Migrated Price |
| 93293 | 93736 | 142.00 | Migrated Price |
| 93293 | 93733 | 147.00 | Migrated Price |
| 93294 | 93734 | 138.00 | Migrated Price |
| 93294 | 93731 | 162.00 | Migrated Price |
| 93294 | 93735 | 221.00 | Migrated Price |
| 93294 | 93732 | 269.00 | Migrated Price |
| 93295 | 93741 | 237.00 | Migrated Price |
| 93295 | 93744 | 328.00 | Migrated Price |
| 93298 | 93727 | 148.00 | Migrated Price |
| 95803 | 0089T | N/A | |
| 96360 | 90760 | 71.00 | Unified Rate |
| 96361 | 90761 | 20.00 | Unified Rate |
| 96365 | 90765 | 86.00 | Unified Rate |
| 96366 | 90766 | 27.00 | Unified Rate |
| 96367 | 90767 | 41.00 | Unified Rate |
| 96368 | 90768 | 24.00 | Unified Rate |
| 96369 | 90769 | 190.00 | Unified Rate |
| 96370 | 90770 | 20.00 | Unified Rate |
| 96371 | 90771 | 85.00 | Unified Rate |
| 96372 | 90772 | 20.00 | Unified Rate |
| 96373 | 90773 | 20.00 | Unified Rate |
| 96374 | 90774 | 20.00 | Unified Rate |
| 96375 | 90779 | 20.00 | Unified Rate |
| 96376 | 90776 | 20.00 | Unified Rate |
| 99080 | | 50.00 | Market Price (SEHA) |
| 99143 | | 315.00 | Market Price |
| | | | |



| 99148 | | 289.00 | Market Price |
|-------|-------|----------|----------------|
| 99149 | | 236.00 | Market Price |
| 99150 | | 105.00 | Market Price |
| 99460 | 99431 | 66.00 | Migrated Price |
| 99461 | 99432 | 105.00 | Migrated Price |
| 99462 | 99433 | 36.00 | Migrated Price |
| 99463 | 99435 | 92.00 | Migrated Price |
| 99464 | 99436 | 84.00 | Migrated Price |
| 99465 | 99440 | 474.00 | Migrated Price |
| 99466 | 99289 | 281.00 | Migrated Price |
| 99467 | 99290 | 151.00 | Migrated Price |
| 99471 | 99293 | 934.00 | Migrated Price |
| 99471 | 99295 | 1,082.00 | Migrated Price |
| 99472 | 99294 | 452.00 | Migrated Price |
| 99472 | 99296 | 464.00 | Migrated Price |
| 99478 | 99298 | 161.00 | Migrated Price |
| 99479 | 99299 | 145.00 | Migrated Price |
| 99480 | 99300 | 146.00 | Migrated Price |
| 99503 | | 250.00 | Market Price |
| 99504 | | 250.00 | Market Price |
| 99505 | | 150.00 | Market Price |
| 99506 | | 49.00 | Market Price |
| 99507 | | 150.00 | Market Price |
| 99509 | | 451.00 | Market Price |
| 99512 | | 331.00 | Market Price |
| 99601 | | 150.00 | Market Price |
| 99602 | | 75.00 | Market Price |
| | | | |