

PROVIDER BULLETIN

PROVIDER INFORMATION



May 16, 2016

Pricing Order Change When Bilateral and Multiple Surgery Reduction Occur on the Same Claim

This Bulletin is being published to inform providers of an identified difference in the order of processing, between the new operating system and the legacy operating system, when a Bilateral Adjustment and Multiple Surgery Reduction occur on the same claim. Blue Cross and Blue Shield of Minnesota (Blue Cross) is also providing notification that effective July 1, 2016, our legacy operating system will be updated to align the processing order to that of the new operating system. This change only applies to professional claims and does not impact claims priced with the EAPG payment methodology.

A Bilateral Adjustment occurs when a -50 modifier is appended to a procedure code that is eligible for bilateral pricing. The result is an allowance of 150% of the provider's contracted fee schedule amount.

When Multiple Surgery Reduction is applied, the highest allowed amount is reimbursed at 100% of the allowed, and all subsequent codes have an allowed amount of 50% of the provider's contracted fee schedule amount.

In the new operating system, and in our legacy operating system effective July 1, 2016, the Bilateral Adjustment will be processed first, followed by the Multiple Surgery Reduction. In many cases, when the Multiple Surgery Reduction is applied, the bilateral procedure will be considered the highest allowed once the 150% of the fee schedule adjustment is calculated. In the scenario where the bilateral procedure is a subsequent code (not the highest allowed), the Multiple Surgery Reduction / Bilateral Adjustment combination would result in an allowed amount of 50% of 150% of the fee schedule amount for the bilateral code.

In our legacy operating system, the Multiple Surgery Reduction was applied first, followed by the Bilateral Adjustment. In this processing order, the bilateral code would sometimes be processed as a subsequent code during the Multiple Surgery Reduction processing, resulting in an allowed amount of 50% of the fee schedule amount. The Bilateral Adjustment would be applied after the Multiple Surgery Reduction (MSR), which would result in an allowed amount of 150% of 50% of the fee schedule for the bilateral code.

Example for Legacy Operating System Processing Prior to July 1, 2016:

Code	Fee Schedule Allowance	Application of Multiple Surgery Reduction	Application of Bilateral Adjustment	Total Allowance for Claim
42826	\$425	\$425 (100%)	NA	\$668.75
31256-50	\$325	\$162.50 (50%)	\$243.75 (150%)	

Example for New Operating System and Legacy Operating System Processing as of July 1, 2016:

Code	Fee Schedule Allowance	Application of Bilateral Adjustment	Application of Multiple Surgery Reduction	Total Allowance for Claim
42826	\$425	NA	\$212.50 (50%)	\$700.00
31256-50	\$325	\$487.50 (150%)	\$487.50 (100%)	

For information regarding Blue Cross's migration to a new operating system, please visit the 'Operating System Transition' page on Blue Cross's website at providers.bluecrossmn.com.

Questions?

If you have questions, please contact provider services at (651) 662-5200 or 1-800-262-0820.

Distribution: All participating providers impacted by the information in this bulletin
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