



TEXAS
Health and Human
Services

Texas Department of State
Health Services

Department of State Health Services Rider 37 Stakeholder Meeting

Grace Kubin, Ph.D.

July 12, 2018

85th Legislature

DSHS Rider 37



TEXAS
Health and Human
Services

Texas Department of State
Health Services

- Directed DSHS to “study the most effective way to bill private insurers for newborn screening kits”
- Study should include:
 - Feasibility of requiring DSHS to bill private insurers for the cost of newborn screening
 - Ability for DSHS to require private insurers to update payments rates for newborn screening

GENERAL APPROPRIATIONS ACT
FOR THE 2018-19 BIENNIUM

Eighty-fifth Texas Legislature
Regular Session, 2017

Text of Conference Committee Report on Senate Bill No. 1
(and other bills affecting 2018-19 biennial appropriations)





TEXAS
Health and Human
Services

Texas Department of State
Health Services

Newborn Screening Budget & Billing

Grace Kubin, Ph.D.

July 12, 2018

Newborn Screening Costs vs. Revenue



TEXAS
Health and Human
Services

Texas Department of State
Health Services

Costs for NBS testing

Fiscal Year	Private Pay	Medicaid	CHIP Perinate	Clinical Care Management	Total
FY2017	\$16,348,103	\$20,749,681	\$8,936	\$5,106,551	\$42,213,271

Revenue/Funding for NBS testing

Fiscal Year	Laboratory	Laboratory	Laboratory	Clinical Care Case Management			Total
	Public Health Service Fees	Medicaid Reimbursements - NBS	CHIP Perinatal	Federal	GR□	Fund 0524	
FY2017	\$14,817,090	\$15,440,648	\$8,936	\$1,769,333	\$1,632,861	\$1,851,253	\$35,520,121

Newborn Screening Kits

- Medicaid/CHIP/Charity
 - Provider must assure that kits will only be used on babies presumed to be covered by Medicaid or CHIP or for those unable to pay
 - No charge to provider
- Private Pay/Self Insurance
 - Submitter is invoiced \$55.24 per kit within 1 month of receipt
 - Payment is due no later than 90 days from date of invoice



TEXAS
Health and Human Services

Texas Department of State
Health Services

Current Newborn Screening Billing Process



TEXAS

Health and Human Services

Texas Department of State
Health Services

Submitter orders paid NBS kits

NBS kits sent to submitter

Monthly invoice sent to submitter

Submitter pays invoice

Day 1-2

Up to 30 days after order is processed

Payment is due within 90 days of invoice

Payment received within 4 months for "Paid" kits.

Specimen Payor Source

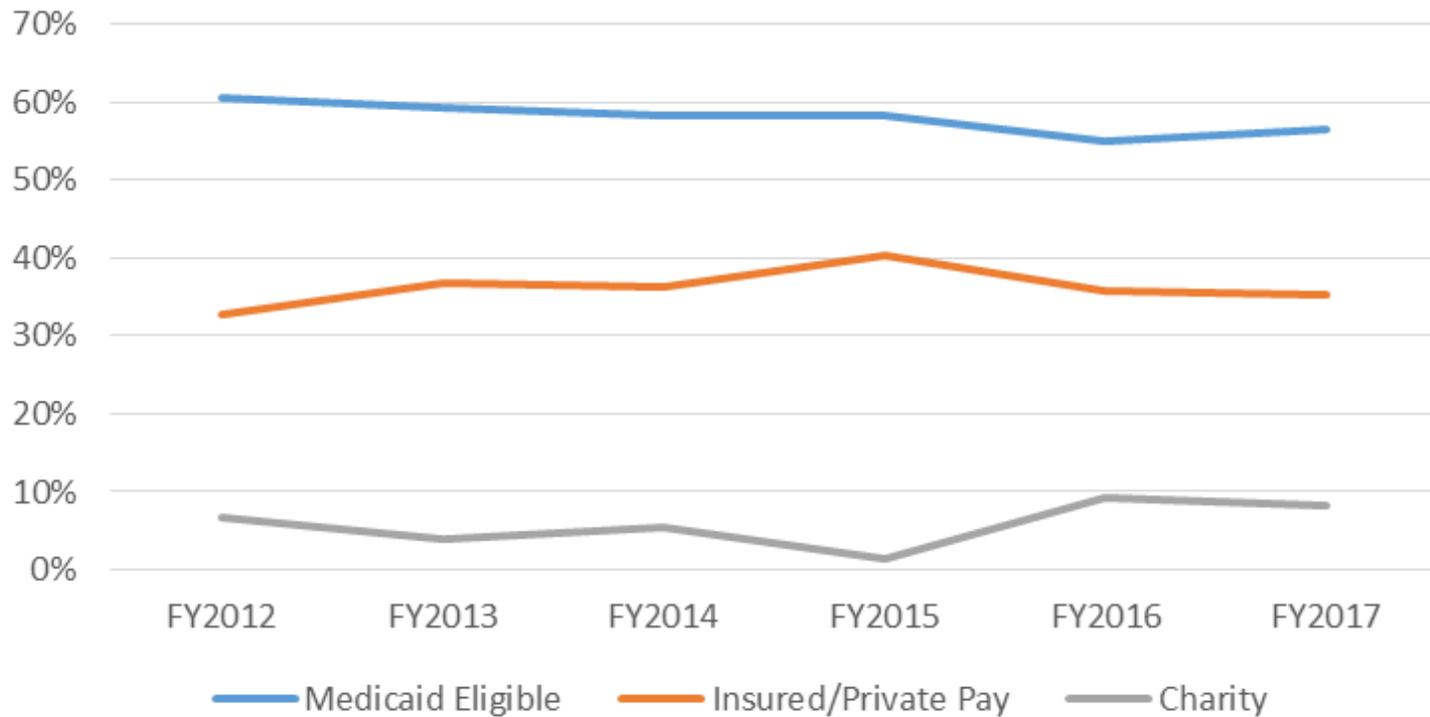


TEXAS

Health and Human Services

Texas Department of State
Health Services

Percentage of Specimens Screened by Payor Type





TEXAS
Health and Human
Services

Texas Department of State
Health Services

Newborn Screening Data Gathering and Survey Results

Rachel Lee, Ph.D.

July 12, 2018



TEXAS

Health and Human Services

Texas Department of State
Health Services

Objectives

- Study current requirements and processes to establish and update NBS payment rates
- Gain understanding of potential NBS billing barriers faced by TX healthcare providers
- Acquire information on other NBS Programs' experience in direct insurance billing
- Identify approaches to automatically update private insurers' payment rates for NBS



TEXAS

Health and Human Services

Texas Department of State
Health Services

Outline

- Stakeholder survey – Private Insurer
- Stakeholder survey – Healthcare Provider
- Information from NBS Programs that currently bill private insurers directly
- Discuss approaches to update private insurers' payment rates for NBS

Stakeholder Survey

Private Insurer



TEXAS
Health and Human Services

Texas Department of State
Health Services

Stakeholder Survey – Private Insurer



TEXAS

Health and Human Services

Texas Department of State
Health Services

- Request sent on Jan 25, 2018
 - TX Department of Insurance
 - TX Association of Health Plans
 - TX Association of Community Health Plans
- A total of 13 questions
 - Payment rates for newborn screening
 - Billing process
- Survey closed on Feb 18, 2018
- Three responses received

Payment Rates for Newborn Screening



TEXAS

Health and Human Services

Texas Department of State
Health Services

What are the current newborn screening payment rates for providers in and out of network?

- Varies based on CPT codes
 - S3620
 - S3620 82016 82128 82261 82776 83020 83498
83520 84437
 - All valid CPT codes
- Varies based on contract
- Based on usual and customary (U&C) rates for non-contracted providers

Payment Rates for Newborn Screening



TEXAS

Health and Human Services

Texas Department of State
Health Services

How do you determine and update payment rates?

- Derived from various sources -
 - CMS, Medicaid, other provider fee schedules, the complete Resource Based Relative Value Scale (RBRVS), and consult with the Medical Directors or use analog codes when not found on CMS pricing
- Based on contract or Usual and customary (U&C) rates for non-contracted providers.

Payment Rates for Newborn Screening



TEXAS

Health and Human Services

Texas Department of State
Health Services

When do you usually update the newborn screening payment rates?

- Contract renewal or renegotiation with providers, usually annually
- Updating of relative value units (RVU)
- Updating of U&C base rates

Payment Rates for Newborn Screening



TEXAS

Health and Human Services

Texas Department of State
Health Services

DSHS updates published newborn screening fee periodically to reflect the cost of testing performed. Do you update your rates accordingly? If not, what can DSHS do to require/ensure automatic updates?

- We feel that Medicare is the most objective measure to base all of our schedules.
- We use contractual arrangements to drive compensation for this screen.
- Only if providers are contracted under the DSHS rate or if the DSHS rate uses the U&C rate for non-contracted providers.



TEXAS
Health and Human Services

Texas Department of State
Health Services

Billing Process

- Require separate contracts with each private insurer
 - Multiple contracts
 - Require a “bricks and mortar” presence
- Contracts can be evergreen with renegotiation upon request
- Follow standard CMS 1500 form guidelines for claim requirements
- Take 1-10 days to release payments after claims are finalized
- Payments are made in Electronic Funds Transfer, paper check, and virtual credit card
- Unaware of any claim processing limitations specifically related to NBS

Stakeholder Survey

Healthcare Providers



TEXAS
Health and Human Services

Texas Department of State
Health Services

Stakeholder Survey – Healthcare Providers



TEXAS

Health and Human Services

Texas Department of State
Health Services

- Request sent on April 5, 2018
 - NBS ListServ
 - Professional organization representatives
 - NBSAC
- A total of 22 questions
 - General information
 - NBS claim processes and reimbursement payments from private insurers
 - Impacts and challenges
- Survey closed on April 15, 2018
- 151 responses received

Stakeholder Survey

Healthcare Providers

- General Information



TEXAS
Health and Human Services

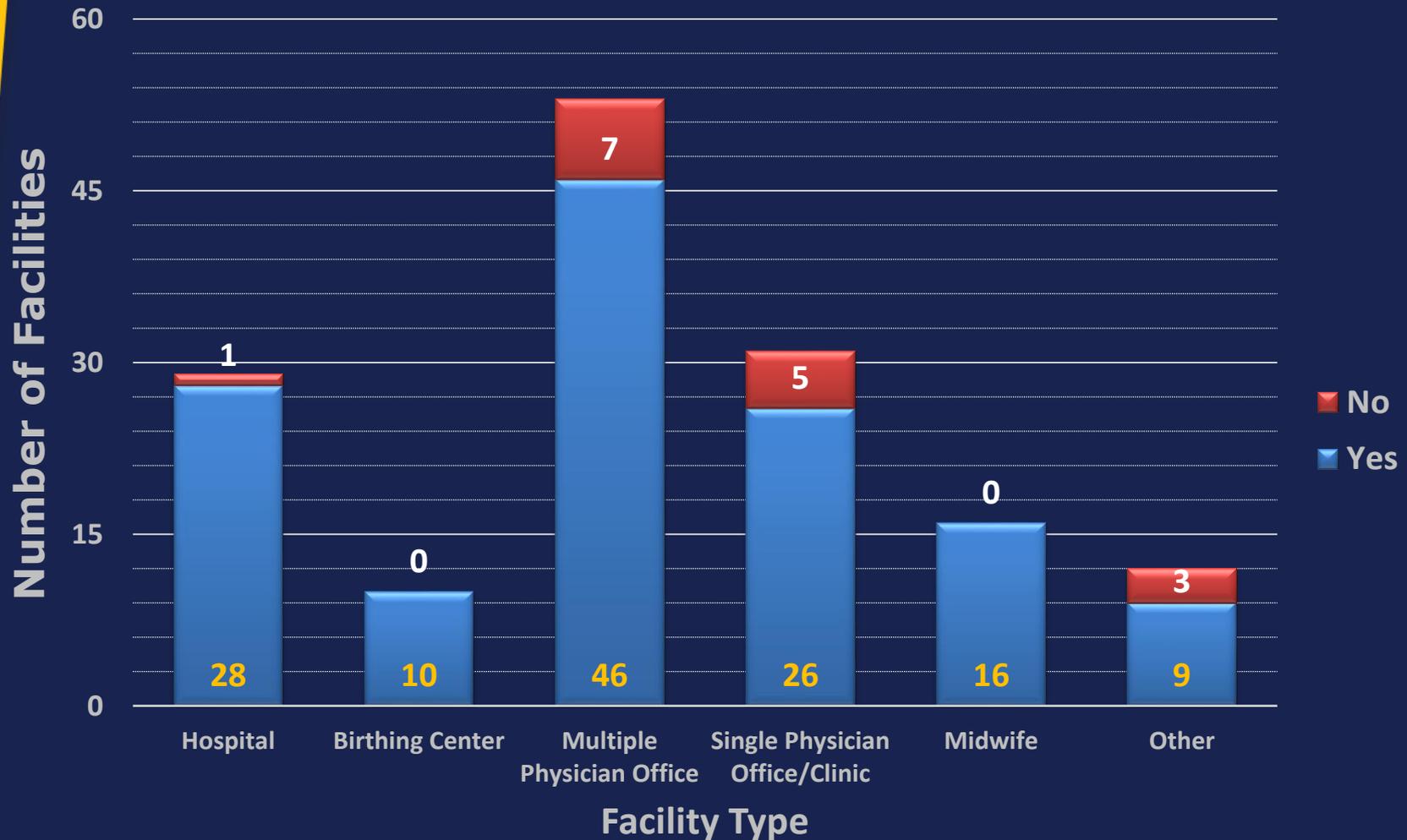
Texas Department of State
Health Services

Do You Collect Newborn Screens in Your Facility?



TEXAS
Health and Human Services

Texas Department of State
Health Services

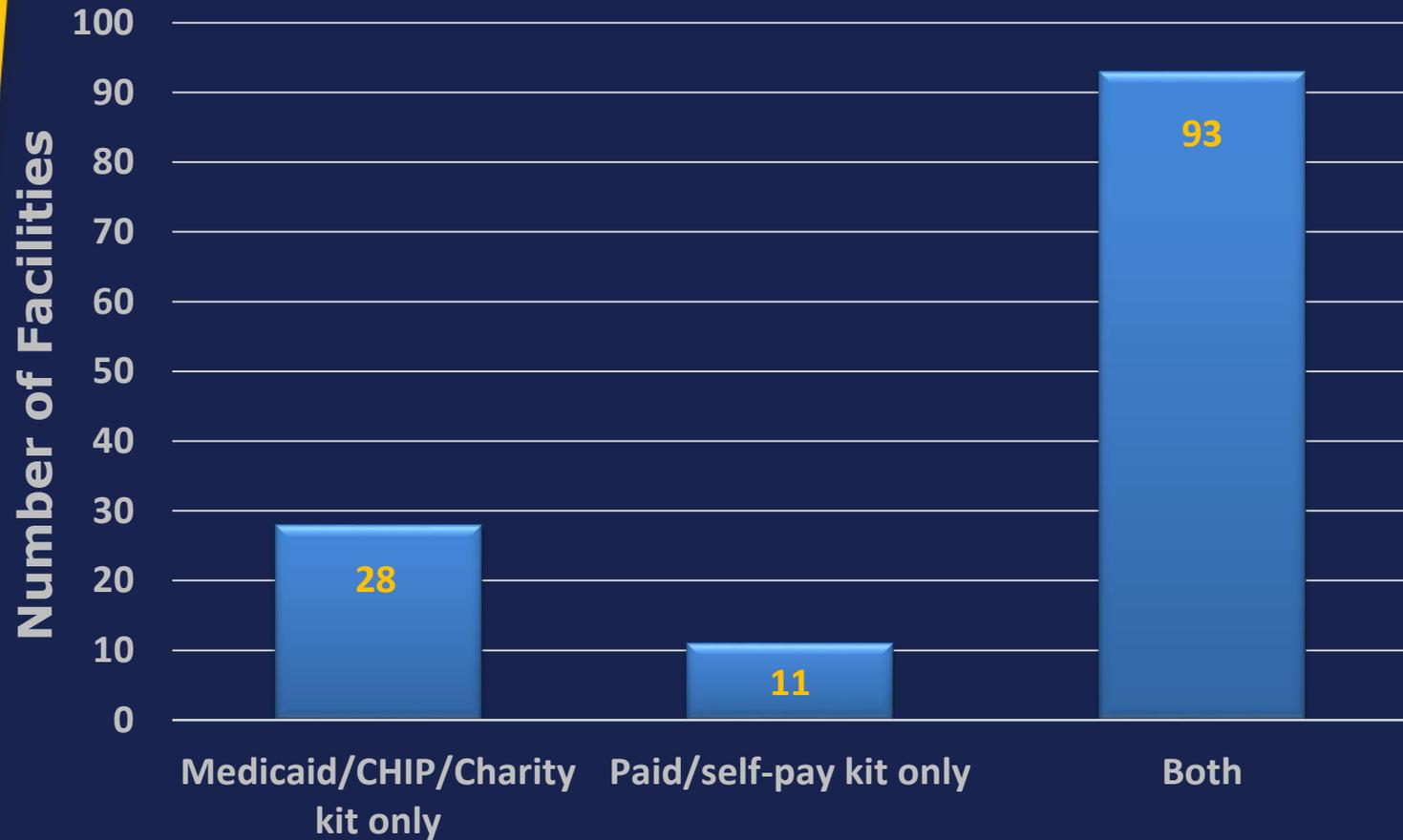




TEXAS
Health and Human Services

Texas Department of State
Health Services

Type of NBS Kits Ordered



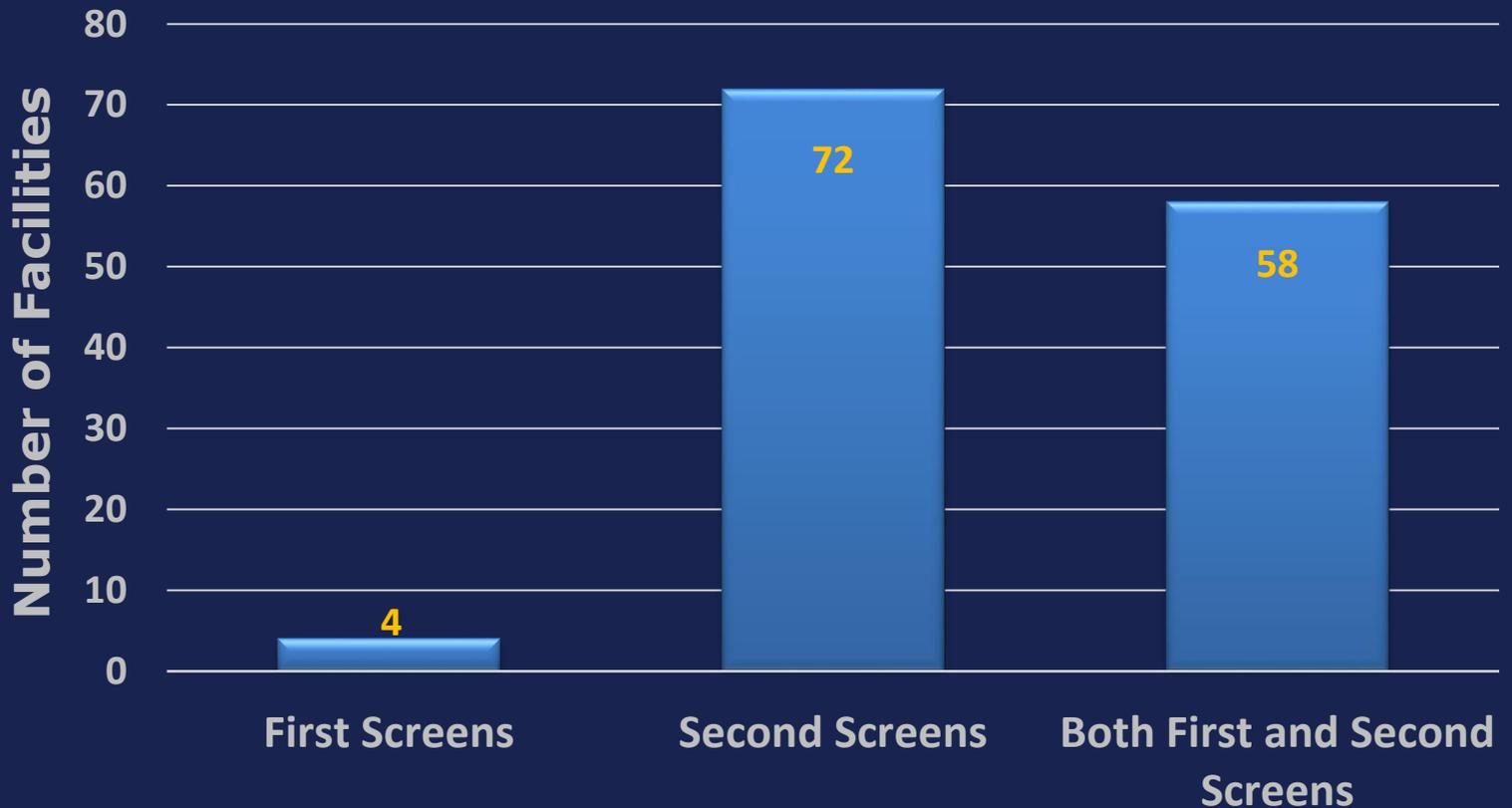
Type of NBS Specimens Collected



TEXAS

Health and Human Services

Texas Department of State
Health Services



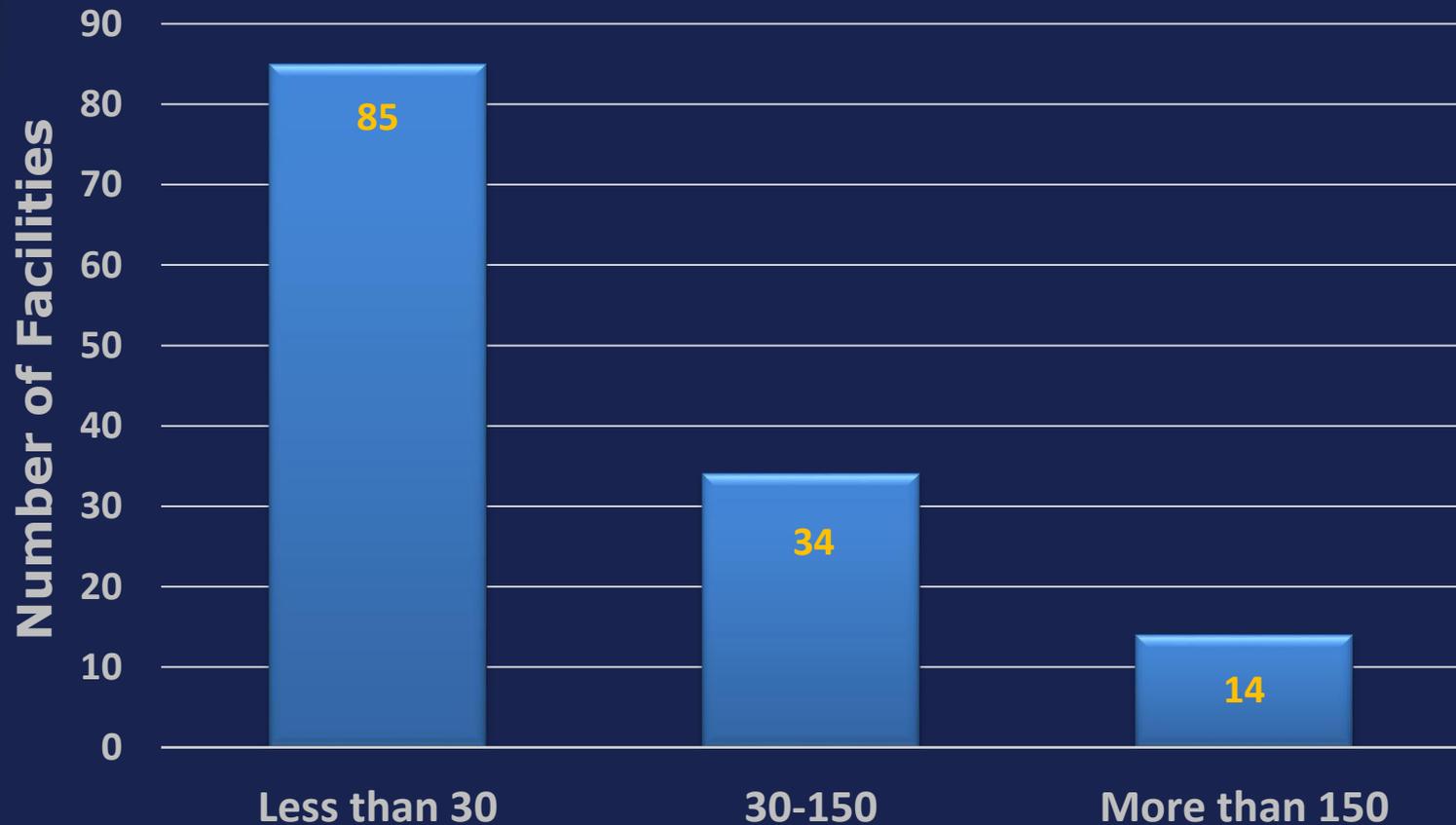
Number of NBS Specimens Collected per Month



TEXAS

Health and Human Services

Texas Department of State
Health Services



Stakeholder Survey

Healthcare Providers

- General Information
- Claim Process and Reimbursement



TEXAS
Health and Human Services

Texas Department of State
Health Services

File Insurance Claims?



TEXAS

Health and Human Services

Texas Department of State
Health Services

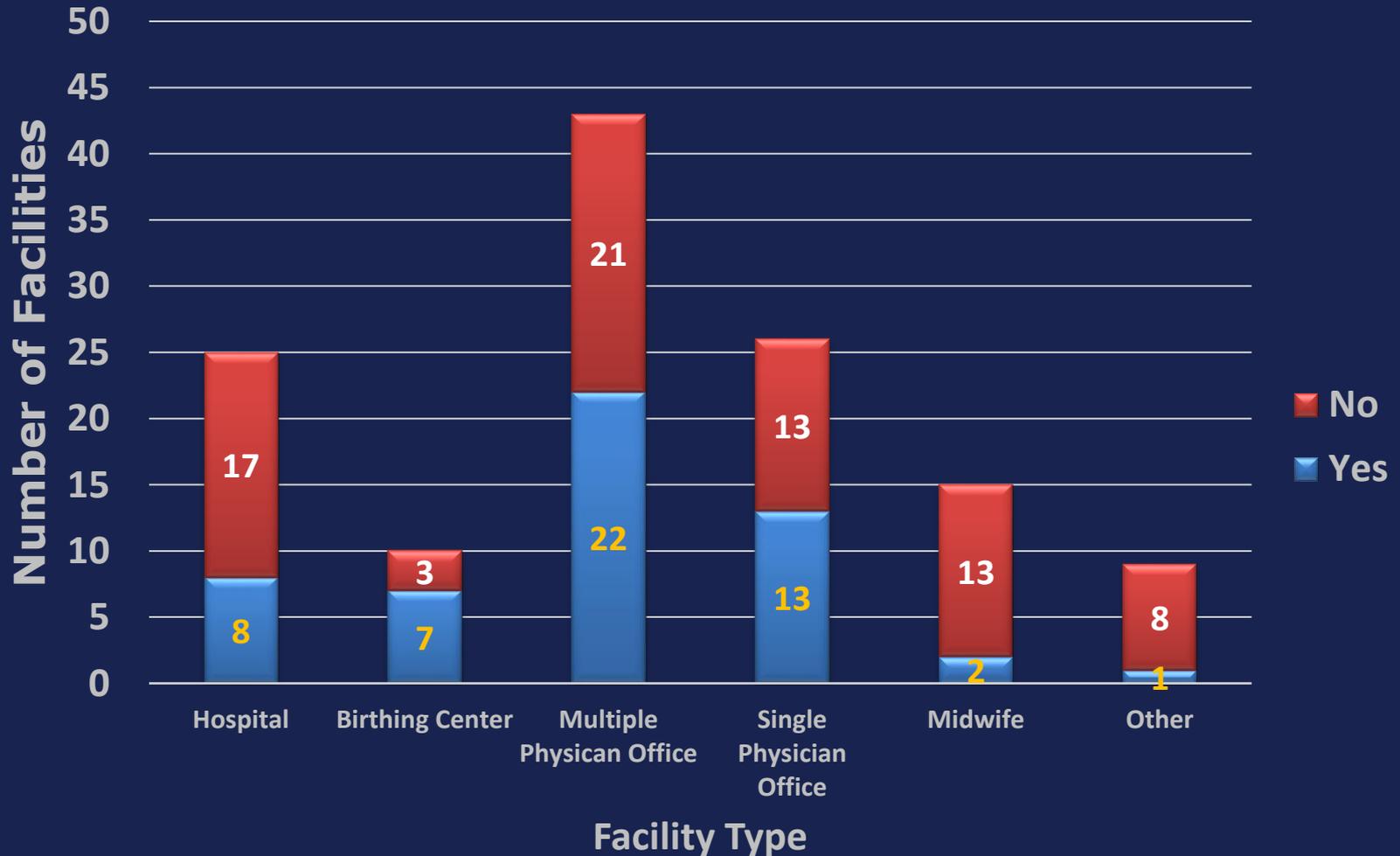
		File insurance claims for NBS kits?	
		Yes	No
File insurance claims for NBS sample collection?	Yes	48	24
	No	5	51

Do You File Insurance Claims for NBS Kits?



TEXAS
Health and Human Services

Texas Department of State
Health Services



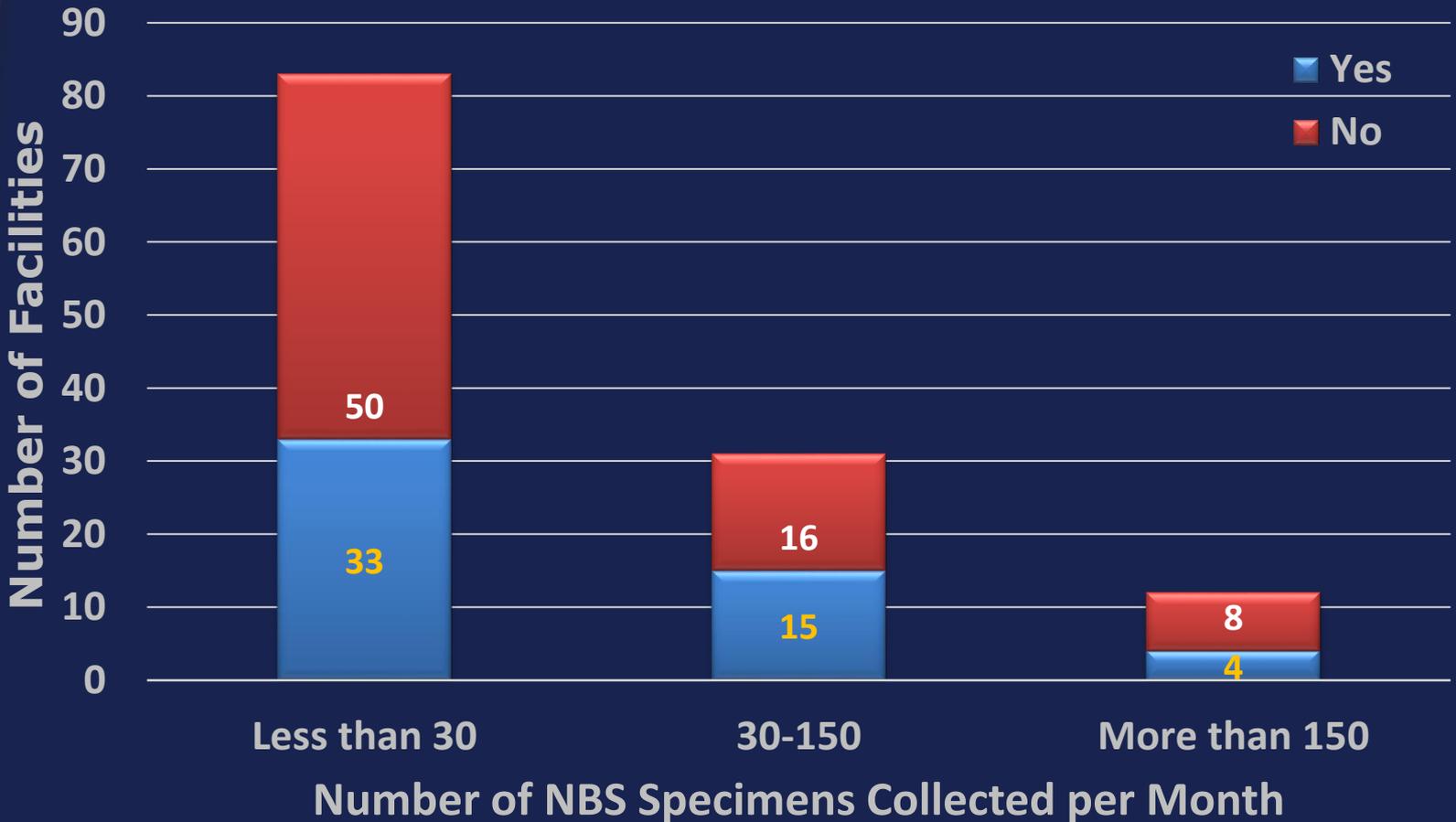
Do You File Insurance Claims for NBS Kits?



TEXAS

Health and Human Services

Texas Department of State
Health Services



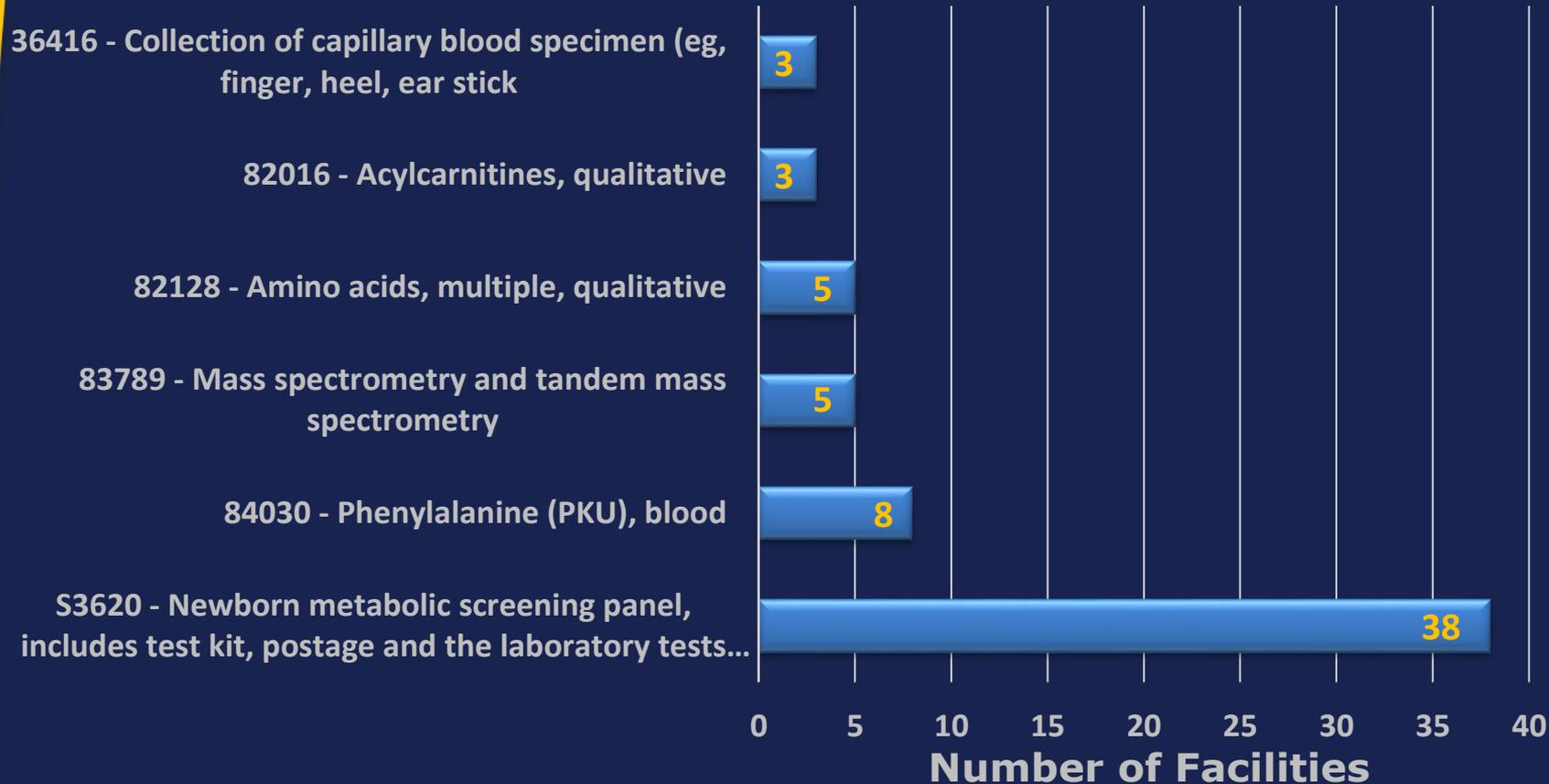


TEXAS
Health and Human Services

Texas Department of State
Health Services

CPT Codes

Which CPT codes do you use to file insurance claims for the cost of newborn screening kits?



Reimbursement Rates and Payments



TEXAS

Health and Human Services

Texas Department of State
Health Services

- **36 facilities use a single CPT code (S3620 or 84030)**
 - 5 facilities: 90-100% reimbursement rate and 90-100% \geq \$55.24, payments ranging \$34-\$110
 - 19 facilities: 5-100% reimbursement rate and 0-95% \geq \$55.24, payments ranging \$0-\$85 (most \$10-\$40)
 - 2 birthing centers received 0% reimbursement
 - 10 facilities unsure or don't know
- **8 facilities use multiple CPT codes**
 - 5 facilities: 90-100% reimbursement rate and 90-100% \geq \$55.24, payments ranging \$50-\$75
 - 1 facility: payment ranging \$6.33-\$40
 - 2 facilities received 0% reimbursement

Reimbursement Rates Update



TEXAS

Health and Human Services

Texas Department of State
Health Services

DSHS updates the published newborn screening fee periodically to reflect the cost of testing performed. How do you update/negotiate payment rates accordingly? How long does the process take?

- Insurance companies take FOREVER to recognize a cost change and update their fees. Then they don't pay the difference retroactively.
- Cannot update payment for this until the contract is renegotiated which is about every 5 yrs.
- It is impossible to negotiate. They claim that it is a state specified price, and often claim old prices.
- You can't, they will only do market fee schedule.
- We do not update since the reimbursement rate is so low.
- We no longer work with insurance companies - Bill parents

Reimbursement Rates Update (cont.)



TEXAS

Health and Human Services

Texas Department of State
Health Services

DSHS updates the published newborn screening fee periodically to reflect the cost of testing performed. How do you update/negotiate payment rates accordingly? How long does the process take?

- On average 3 months. Most will make the payment retroactive.
- The process can take several months for the insurance carriers to update their fee schedules. Negotiations are done either directly with the insurance representative or through a physician contracting group
- This is only negotiated at the time of a contract, every 1-2 years. The insurance companies are notified when the new rates are published by DSHS. They make the increases usually within 2 to 6 months of the time the increase is made.

Stakeholder Survey

Healthcare Providers

- General Information
- Claim Process and Reimbursement
- Impacts and Challenges



TEXAS
Health and Human Services

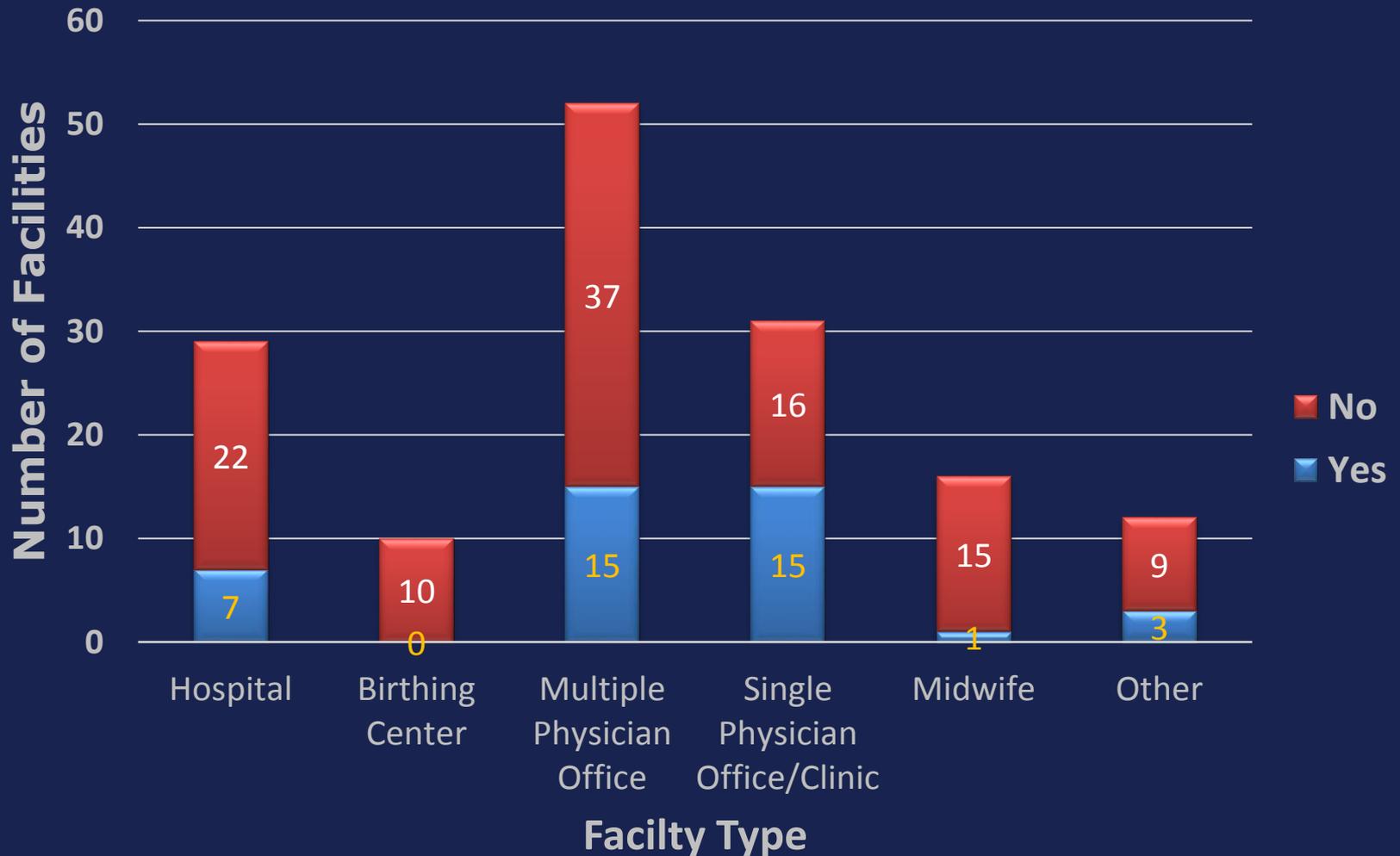
Texas Department of State
Health Services

Do You Refer Patients for NBS Collection?



TEXAS
Health and Human Services

Texas Department of State
Health Services

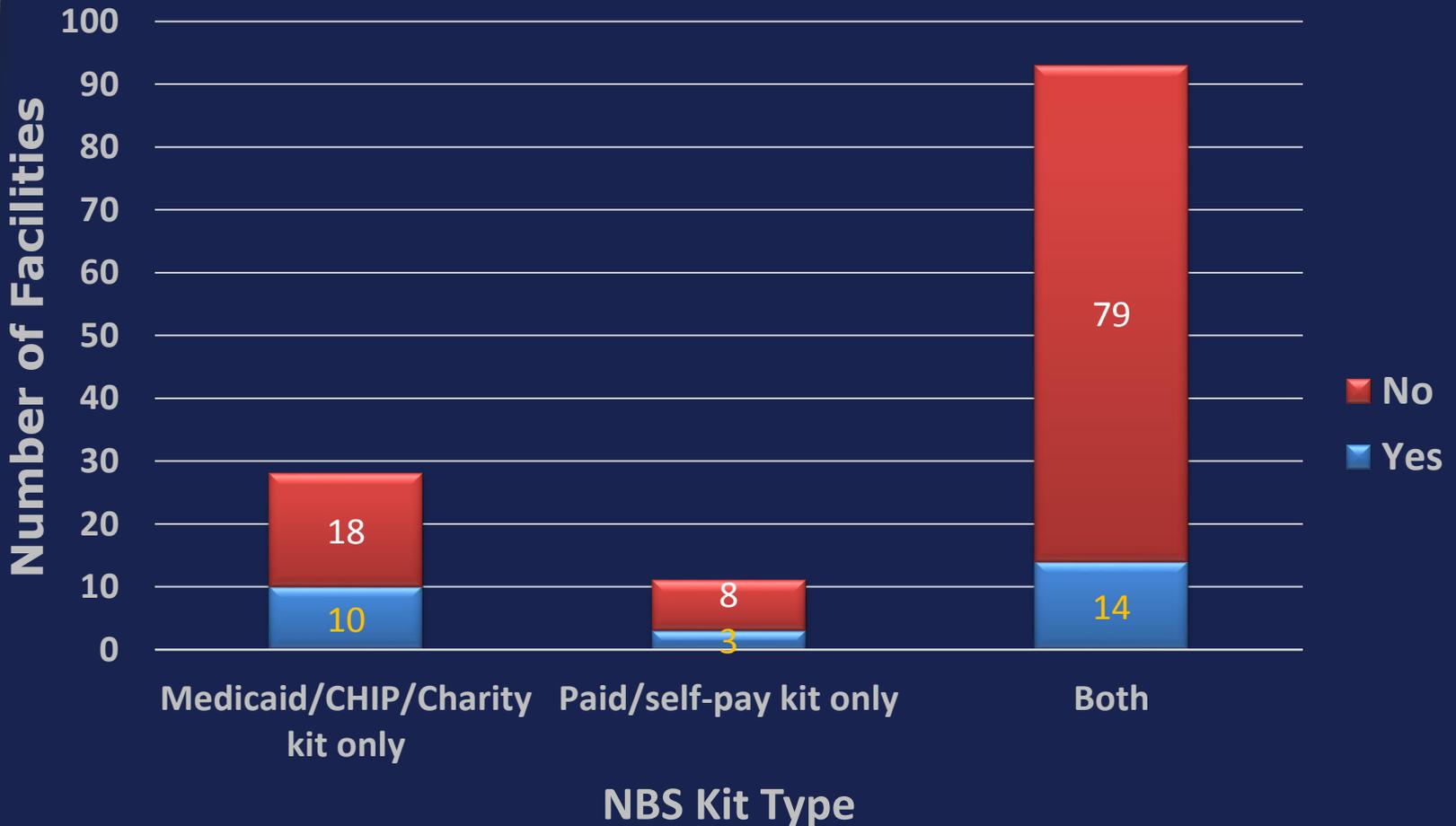


Do You Refer Patients for NBS Collection?



TEXAS
Health and Human Services

Texas Department of State
Health Services

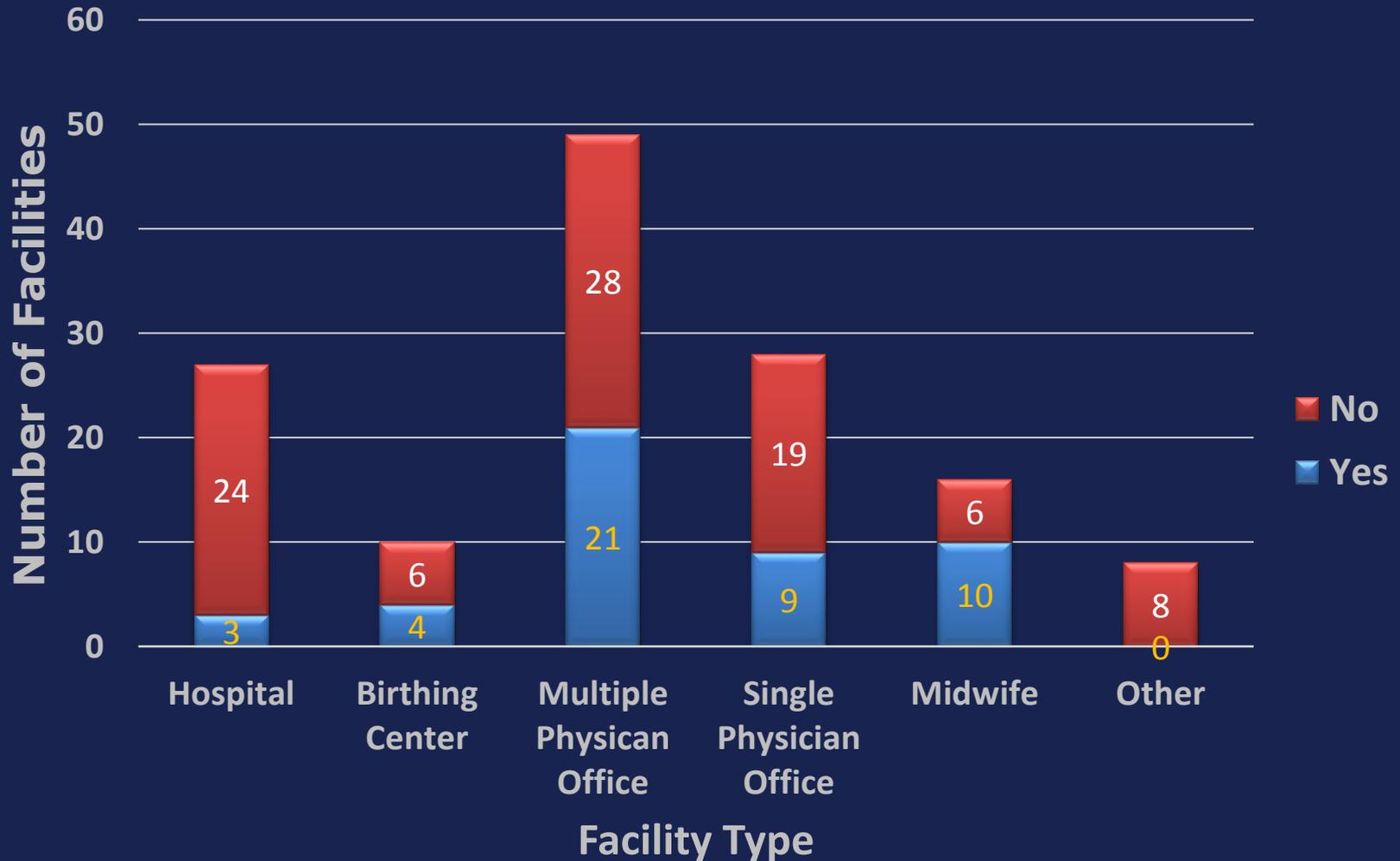


Have you stopped or considered stopping collection of NBS?



TEXAS
Health and Human Services

Texas Department of State
Health Services

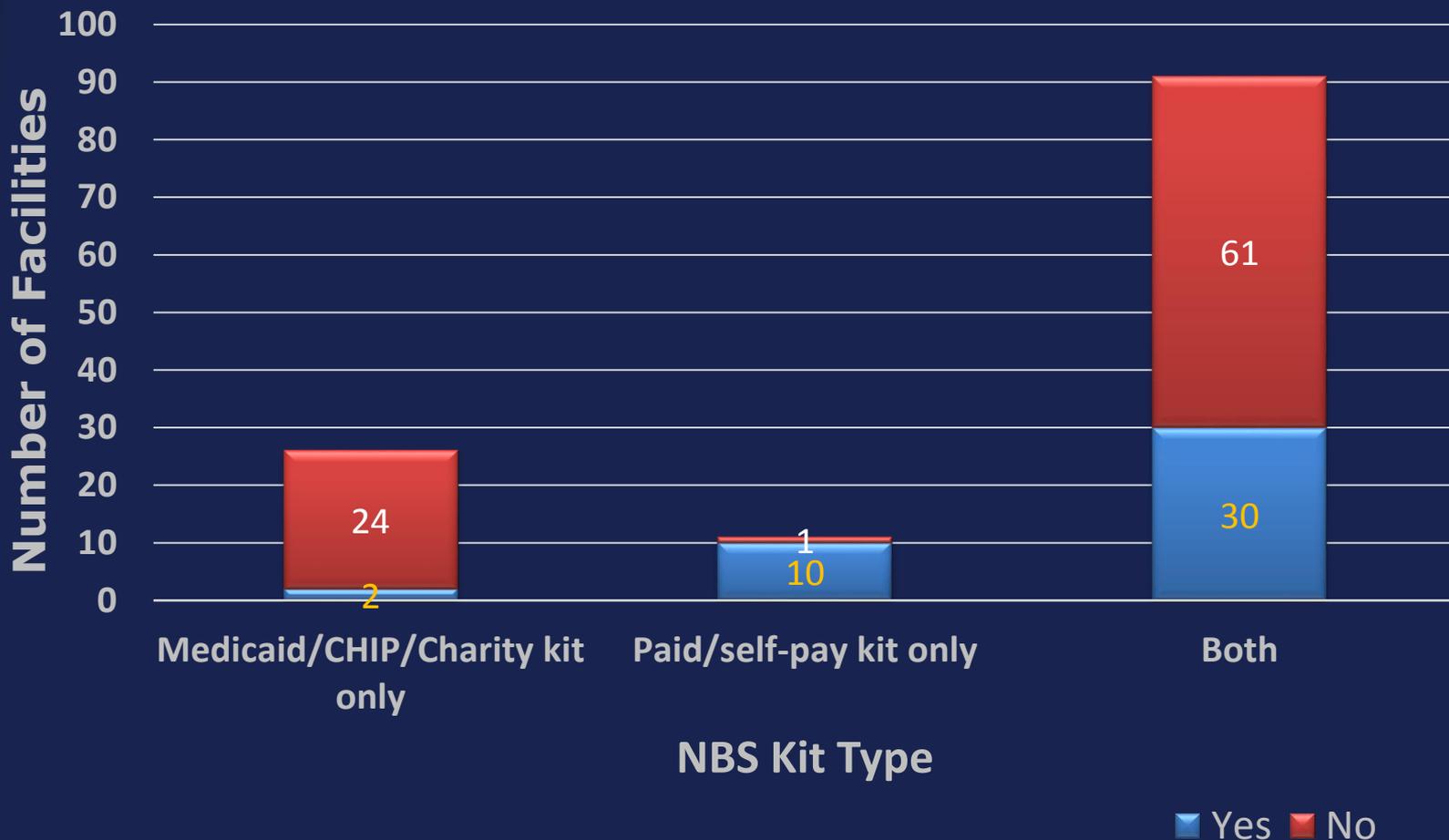


Have You Stopped or Considered Stopping Collection of NBS?



TEXAS
Health and Human Services

Texas Department of State
Health Services



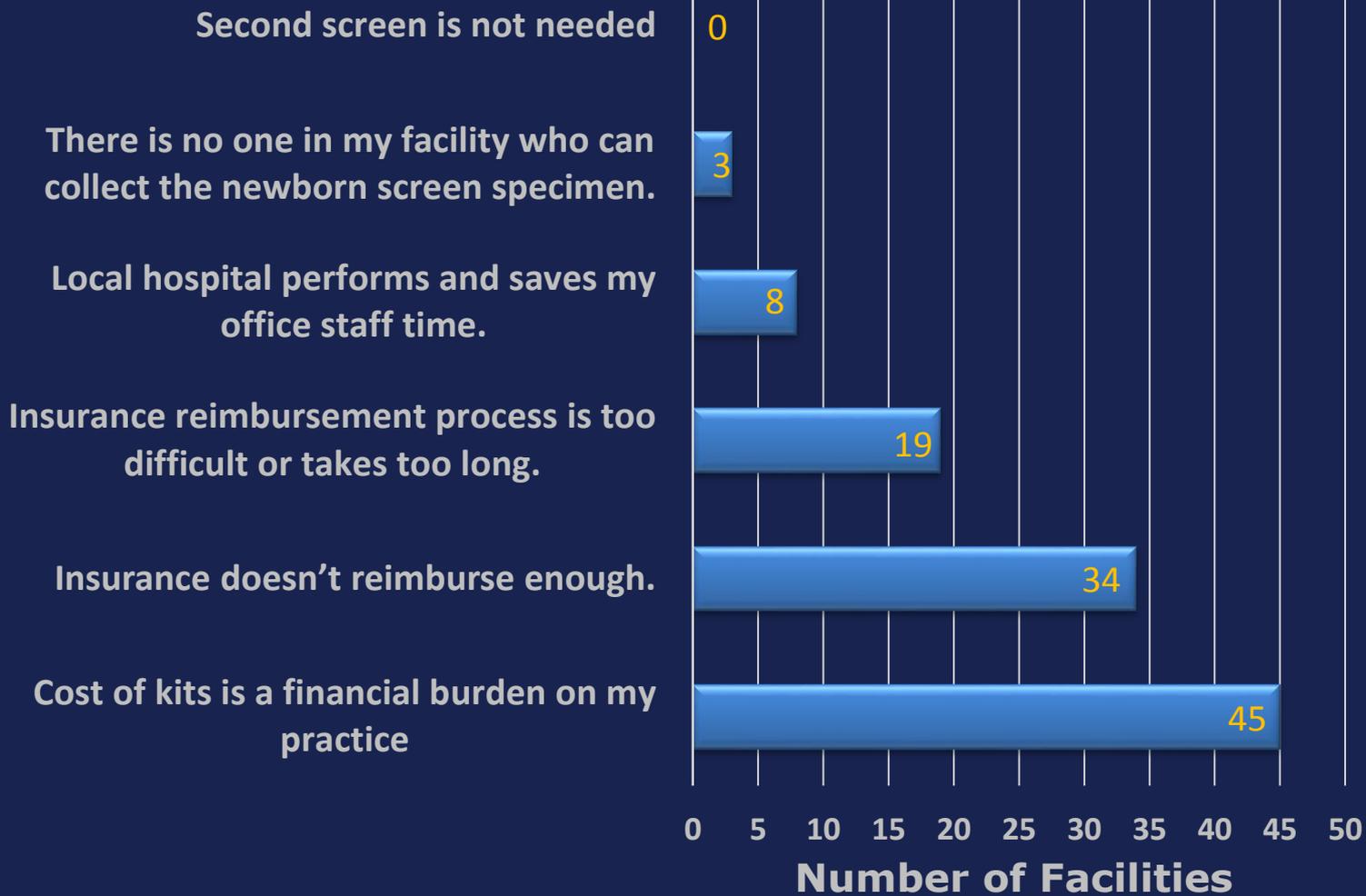
Reasons Stopped or Considering Stopping NBS Collection



TEXAS

Health and Human Services

Texas Department of State
Health Services





TEXAS

Health and Human Services

Texas Department of State
Health Services

Additional Reasons

- Financially difficult to prepay and problematic if they expire.
- Insurance does not pay anything.
- This is a public health function that should be provided by the State of Texas. This cost should not be dumped onto the pediatrician.
- Lots of insurance companies now apply this charge to patient's yearly deductible. Should be covered 100% same as the well visits.
- Most insurance denies the specimen collection fee also.
- Clients frequently decline the test

If DSHS bills insurance directly for newborn screening (instead of billing healthcare providers), would it change the way you handle newborn screening in your practice?



TEXAS

Health and Human Services

Texas Department of State
Health Services

		Change if DSHS bills insurance directly?	
		Yes	No
Stop or consider stopping NBS collection?	Yes	34	14
	No	20	62

How Would the Providers Change?



TEXAS

Health and Human Services

Texas Department of State
Health Services

- I'd offer both first and second screens to every person.
- We might start doing newborn screening on our private insured again.
- We would perform them in our clinic instead of sending them out to the hospital.
- We would no longer require patient to pay and file to their insurance for reimbursement.
- It would take off the financial burden.
- It would save me the burden of negotiation.
- Much more likely to use 'paid' tests as opposed to 'charity' ones.

How Would the Providers Change? (cont.)



TEXAS

Health and Human Services

Texas Department of State
Health Services

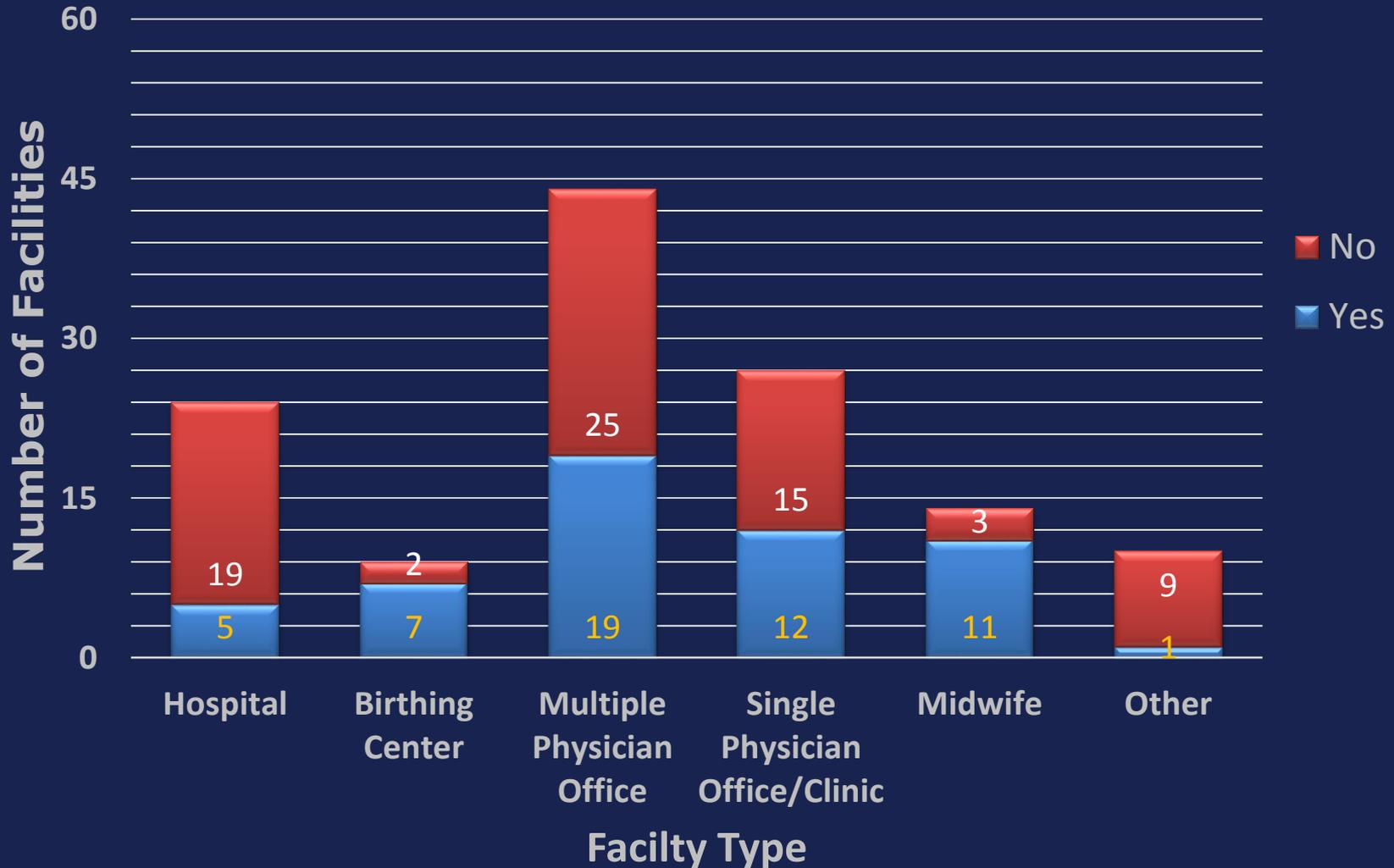
- We still have to be reimbursed for sample collection.
- We currently charge for mailing so we would need to look at whether we could still do that or not.
- We would need to send you insurance information.
- We will send patients to outside labs.
- We would no longer offer as a service in OUR facility
- Midwives find it difficult to bill insurance for their services, therefore, allowing the state to bill may not be advantageous for us.

Challenges in the NBS Billing Process?



TEXAS
Health and Human Services

Texas Department of State
Health Services





TEXAS
Health and Human Services

Texas Department of State
Health Services

Common Challenges

- Reimbursement
 - A failure of the payers to provide payment that keeps up with the cost of the kits and the service.
 - Delayed eligibility - newborns do not have insurance immediately.
 - Insurance rejection/denial or apply deductible
 - Cost for self pay patients – refuse to pay
 - Home births not covered
 - Difficult to renegotiate
- No billing staff, short of billing staff, or need to hire billing company
- Don't know the billing process or the right codes
- Pay upfront for the kit and only bill after it is used. There is no mechanism to return screens that ruined for whatever reason.

Direct Private Insurance Billing

Four States NBS Programs

- Florida
- Arizona
- Washington
- California



TEXAS
Health and Human Services

Texas Department of State
Health Services



TEXAS

Health and Human Services

Texas Department of State
Health Services

Florida

- Bill birthing hospitals/facilities \$15 per live-birth
- One-screen state - bill private insurance and Medicaid after testing
 - No set fee, based on CPT codes specific for tests performed and associated Medicare allowable rate
- Insurance information collected on NBS kits
- Internal billing services through a clearinghouse
 - Submit claims 3 times a day
 - Usually receive payments within 2-3 weeks
- Have contracts with some but not all insurance companies
- Do not bill families without insurance coverage



TEXAS
Health and Human Services

Texas Department of State
Health Services

Florida Experience

- Challenges
 - Lots of resources needed to bill and follow up with denial or wrong insurance information
 - Unable to bill ~15% of the specimens due to no or insufficient billing information
 - Good return from Medicaid but not private insurance.
 - Need to have contracts with private insurers to ensure decent reimbursement rates
- Benefit
 - Stable NBS funding source



TEXAS
Health and Human Services

Texas Department of State
Health Services

Arizona

- Two-screen state using a double kit provided free of charge
- Bill after the testing is completed
 - First screen (\$30) – bill hospitals/submitters
 - Second screen (\$65) – bill private insurance, Medicaid, and families
- Second screen submitters send insurance information on a separate sheet
- Use a third party biller
 - Bill monthly
 - Receive payment within ~1 month
 - Charge ~\$10 each sample



TEXAS
Health and Human Services

Texas Department of State
Health Services

Arizona Experience

- Challenges:
 - Unsuccessful use of S3620 and frequent denial and resubmission – different payment rates and different required information
 - Difficult to set up a separate contract with each insurance company
 - Requires frequent renegotiation
 - Low success rate (26%) to bill families
 - Midwives not recognized
- Investigating switch to bill hospitals only for both screens



TEXAS

Health and Human Services

Texas Department of State
Health Services

Washington

- Two-screen state, kits provided free of charge
- Bill after the testing is completed
 - First screen (\$92.60) – bill submitters (~96% of births), bill insurance or Medicaid for out-of-hospital births (~4% of births)
 - Second screen (\$0)
- Out-of-hospital birth – midwives send insurance information or a check.
- Employ a financial and contracts specialist and a third party biller
 - Bill monthly
 - Charge 30% collected



TEXAS
Health and Human Services

Texas Department of State
Health Services

Washington Experience

- Challenge:
 - Do not receive full reimbursement but working with Medicaid to establish rules requiring full reimbursement.
 - Require contracting with each insurance company to become an in-network provider and is a very arduous process.
 - If at all possible, recommend avoiding billing insurance companies directly.
- Help midwives to make the billing happen with minimal hassle on their part

Update Private Insurers' Payment Rates



TEXAS

Health and Human Services

Texas Department of State
Health Services

Ideas from surveys and other NBS Programs:

- Standardize S3620 - Medicare allowable rate to include specimen collection
- Contract with insurance - Specify DSHS Laboratory Fee Schedule regardless of deductible
- Non-contracted providers – U&C rate
- Texas Administrative Code, TDI Rule 3.3402 Newborn Children Coverage



TEXAS

Health and Human Services

Texas Department of State
Health Services

Arkansas Code

- **§ 20-15-302. Testing of newborns**
(A) Medicaid shall reimburse the hospital that performs the tests required under subdivision (a)(1) of this section for the cost of the tests
- **§ 23-79-129. Coverage of newborn infants.**
(B) Coverage for tests for hypothyroidism, phenylketonuria, galactosemia, sickle-cell anemia, and all other genetic disorders for which screening is performed by or for the State of Arkansas, as well as any testing of newborn infants hereafter mandated by law



TEXAS
Health and Human
Services

Texas Department of State
Health Services

Newborn Screening Billing Models from Other States

Rachel Lee, Ph.D.

July 12, 2018



TEXAS
Health and Human Services

Texas Department of State
Health Services

Outline

- Information and data associated with newborn screening (NBS) fee
 - Newborn Screening Technical assistance and Evaluation Program (NewSTEPS) state profiles data
 - NewSTEPS Community Discussion via APHL Collaborate platform
 - Baby's First Test web site
 - Personal contact with other state newborn screening managers
- Examples of newborn screening billing models

53 NBS Programs in U.S.

- All 50 states
- District of Columbia
- Puerto Rico
- Guam



TEXAS
Health and Human Services

Texas Department of State
Health Services

Do All NBS Programs Charge a Fee?



TEXAS

Health and Human Services

Texas Department of State
Health Services



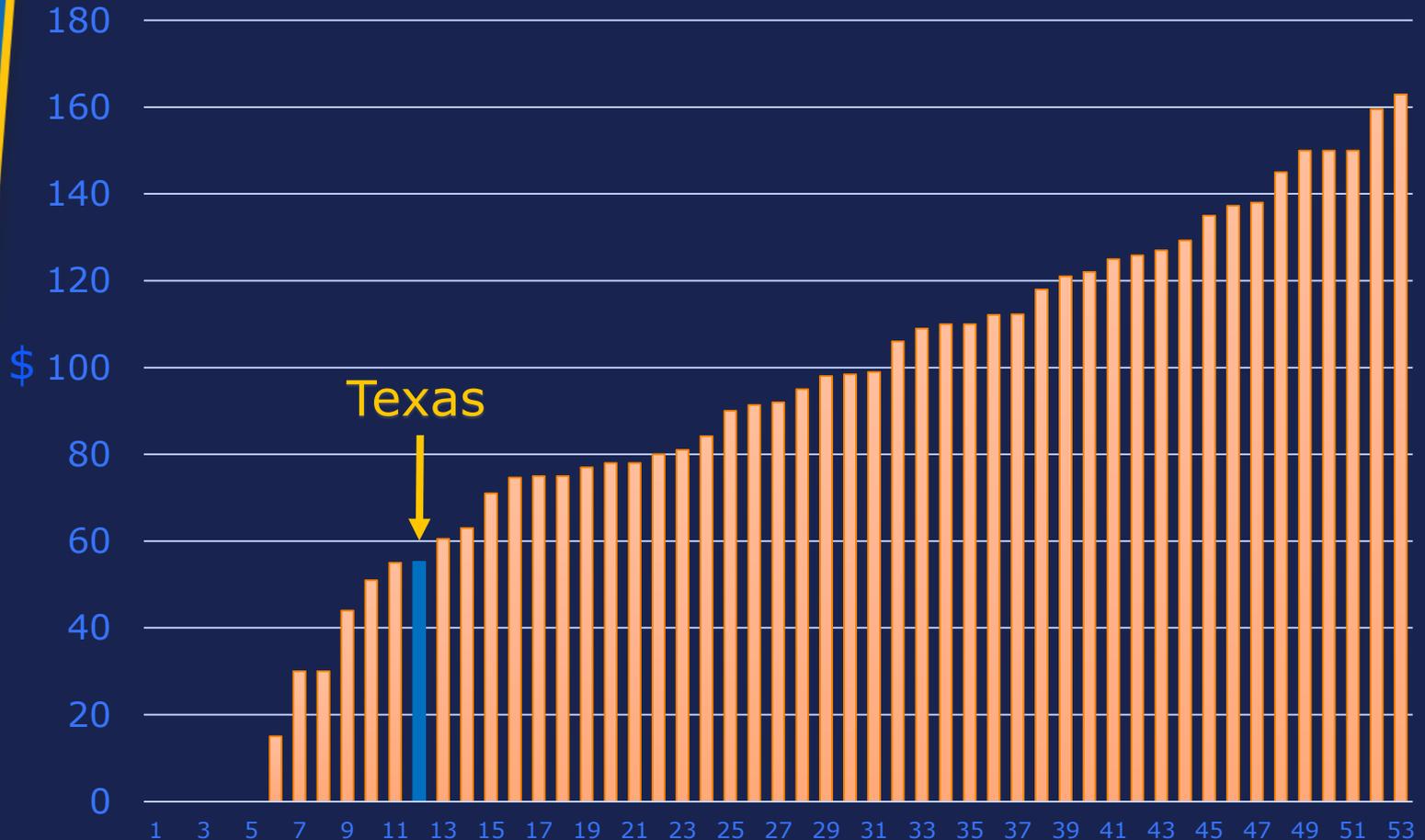
NY, KS, PA, DC, and Guam NBS Programs do not charge a fee.

How do TX NBS Fees Compare? (Initial Screen Only)



TEXAS
Health and Human Services

Texas Department of State
Health Services





TEXAS
Health and Human Services

Texas Department of State
Health Services

Why Are Fees Different?

- Other funding sources
- Type of services covered by the fee
 - Laboratory test
 - Courier services
 - Follow-up and education
 - IT support
 - Administration
 - Critical congenital heart disease, early hearing detection and intervention services
 - Medical consultants, specialty centers
 - Metabolic food and formula
 - Development support
- Number of disorders (32-64)
- Charge per baby/birth or per specimen

How Do They Charge? Per Baby or Per Specimen



TEXAS

Health and Human Services

Texas Department of State
Health Services



35 NBS Programs charge by baby/birth (B) – one charge
13 Programs including TX charge by specimen (S) – multiple charges

When Do They Charge?

Pre-sell Kits, After Birth, or After Testing



TEXAS

Health and Human Services

Texas Department of State
Health Services



29 NBS Programs bill after testing (T) , 17 Programs including TX pre-sell collection kits (K), and 2 Programs bill by number of births (B).



TEXAS
Health and Human Services

Texas Department of State
Health Services

Whom Do They Bill?

- Hospitals and Submitters – After testing or after kit orders (36 including TX)
- No billing – payment with collection kit purchase from submitters (12)
- Private insurance (4)
 - All screens after charge by birth – FL
 - Second screens only –AZ
 - Out-of-hospital births only – WA and CA
- Medicaid (6 including TX)

14 States Screen Babies Two Times

- Alabama
- Alaska
- Arizona
- Colorado
- Delaware
- Idaho
- Maryland
- Nevada
- New Mexico
- Oregon
- Texas
- Utah
- Washington
- Wyoming



TEXAS

Health and Human Services

Texas Department of State
Health Services

How Do Two Screen States Charge? Per Baby or Per Specimen



TEXAS

Health and Human Services

Texas Department of State
Health Services



11 two-screen Programs charge by baby/birth (B)
and 3 Programs charge by specimen (S).

When Do Two Screen States Charge? Pre-sell Kits, After Birth, or After Testing



TEXAS
Health and Human Services

Texas Department of State
Health Services



7 two-screen Programs bill after testing (T), 6 Programs pre-sell collection kits (K), and 1 Program bills by number of births (B).

Whom Do Two Screen States Bill?



TEXAS

Health and Human Services

Texas Department of State
Health Services

- Hospitals and Submitters – After kit orders or after testing (10)
- No billing – payment with collection kit purchase from submitters (4)
- Private insurance (2)
 - Second screens only –AZ
 - Home births only – WA
- Medicaid (3)

Examples of Common NBS Billing Models in U.S.



TEXAS
Health and Human Services

Texas Department of State
Health Services



TEXAS
Health and Human Services

Texas Department of State
Health Services

Model #1



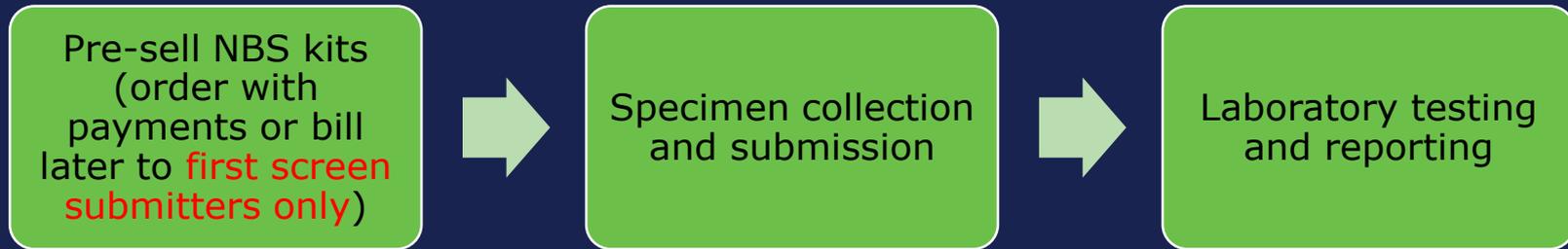
- 22 Programs (6 two-screen states) currently use this model
- Comments from other NBS Programs:
 - Works well
 - No need to track NBS kits inventory
 - Do not bill 2nd screens (Experience no pushback from birthing facilities)
 - Hard to bill if no first screens received
 - Hard to bill midwives (WA and CA bill insurance for out-of-hospital births)
 - Birthing facilities may double bill



TEXAS
Health and Human Services

Texas Department of State
Health Services

Model #2



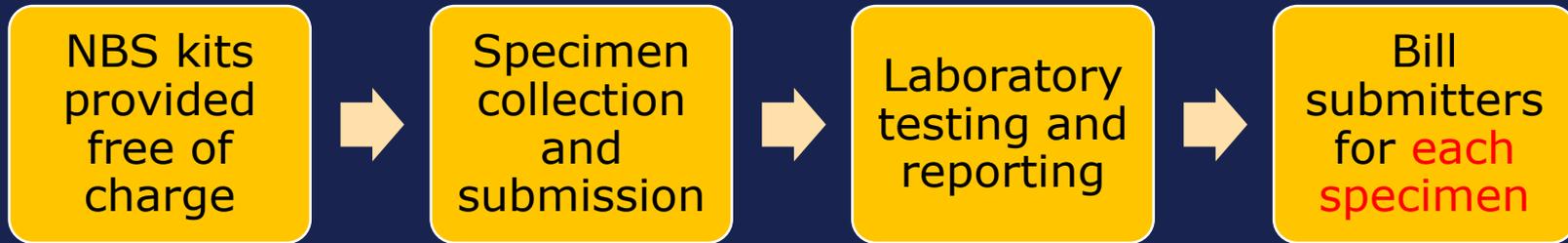
- 11 Programs (4 two-screen states) currently use this model
- Comments from other NBS Programs:
 - Works well
 - Do not bill 2nd screens (Experience no pushback from birthing facilities)
 - Require no billing process if order with payment
 - Can project NBS funding
 - Do need to track NBS kits inventory



TEXAS
Health and Human Services

Texas Department of State
Health Services

Model #3



- 7 Programs (1 two-screen state) currently use this model
- Comments from other NBS Programs:
 - No need to track NBS kits inventory
 - Bill all submitters
 - One-screen Programs – PCPs may be confused about the billing process
 - Two-screen Program – AZ (bill insurance for 2nd screens)
 - Unsatisfactory specimens are not billed or are billed at a lower rate



TEXAS
Health and Human Services

Texas Department of State
Health Services

Model #4



- 6 Programs (2 two-screen states) currently use this model
- Comments from other NBS Programs:
 - Require no billing process if order with payment
 - Can project NBS funding
 - Do need to track NBS kits inventory
- This is the current model in Texas



TEXAS
Health and Human
Services

Texas Department of State
Health Services

Thank you