



September 2, 2009

<<Business Name>>

<<Address>>

<<City>>, <<State>> <<ZIP>>

**Re: Change in Prudent Buyer Fee Schedule**

Dear Participating Prudent Buyer Physician:

We are very pleased to announce Anthem Blue Cross' update to its Prudent Buyer Plan<sup>®</sup> *Participating Physician Agreement* fee schedule, effective January 1, 2010. The changes included in this update are designed to continue our efforts to align our PPO fee schedule more closely with industry practices, further our ongoing efforts to maintain member access to affordable health care coverage and also support your needs for fair and competitive reimbursement to allow your practice to continue to invest in quality care for the future. We are once again responding to the growing recognition of the importance of Evaluation and Management (E&M) services. Some key changes include:

- **Payment levels.** There are both increases and decreases. Some of the most substantial increases are designed to support primary care practices and include significant increases to several E&M procedures and immunization administration, many preventive and emergency procedures, as well as some allergy, psychiatric and urology services. Decreases primarily affect services such as DME, lab, physical therapy, chiropractic, and acupuncture procedures. The pricing for Not Otherwise Classified (NOC) CPT/HCPCS codes will be based upon several factors including, but not limited to, a copy of the provider's invoice (if requested/submitted), the manufacturer's list price for the item or similar item(s), review of operative reports, like or comparable code(s), and National Drug Codes (NDC) with a maximum allowable of 50% of charges unless a more appropriate reimbursement level is determined to apply.
- **Site of Service Rate Differential.** The updated fee schedule will incorporate a structure that supports office-based services by allowing higher rates for certain services when they are performed in an office setting and lower rates when they are performed in a facility setting, recognizing the different costs to physicians in performing these services in different settings. This is similar to the structure currently in place for Centers for Medicare and Medicaid Services ("CMS") and other plans.
- **Anesthesia.** ASA unit values will be the basis for determining the rates for anesthesia procedures 00100 – 01999. In the future these ASA-based unit values will be updated annually to be consistent with ASA unit values.
- **Drugs.** We will be increasing the maximum allowable rate for chemotherapy drugs to the average sales price (ASP) plus 10 percent which is updated quarterly. We will not be changing the basis for payment of vaccines and other drugs which are outlined in Exhibit B.

You can review the full fee schedule and all rates that will be in effect on January 1, 2010, at our web site. If you are already registered for ProviderAccess<sup>®</sup>, go to <https://provider2.anthem.com/wps/portal/ebpmybcc> and select the "Prudent Buyer Fee Schedule Update Effective 1/1/2010" link under the "What's New" section. If your organization is not registered for ProviderAccess, please contact your office administrator or click on the "Register for ProviderAccess" link. For your convenience, a listing of the 1/1/2010 maximum allowable rates for the most commonly billed CPT procedures codes is enclosed.

Enclosed is the applicable *Exhibit B* of your *Prudent Buyer Plan Participating Physician Agreement* that will be effective January 1, 2010. You can readily note that we have simplified Exhibit B for your ease of use. It has been reformatted to eliminate the table of conversion factors included in previous versions since the full maximum allowable rates are available for your review on our web site.

We appreciate your partnership in providing quality care, and we look forward to continuing to work with you to serve your patients – our members. **If you have any questions about the revised fee schedule, please call (800) 933-6633, Monday through Friday, from 9:00 a.m. to 4:00 p.m.**

Sincerely,

Paul McBride

Vice President, Provider Engagement &  
Contracting, Southern California

Sincerely,

Steve Melody

Vice President, Provider Engagement &  
Contracting, Northern California