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## Research Fee Schedules

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This issue of the Research Billing Buzz is a primer on patient care services pricing, whether hospital or physician based that can generate a charge within Epic for services billed to Epic Research Study accounts.

To illustrate how pricing for research services works, we will use an example hospital outpatient visit for a research patient where a physician appointment and diagnostic test occur.

## Hospital Based Services Fee Pricing

Maryland operates the nation's only all-payer hospital rate regulation system. This system, known as the "*Total Cost of Care*" model is made possible, in part, by a 36-year-old Medicare waiver that exempts Maryland from the Inpatient Prospective Payment System (IPPS) and Outpatient Prospective Payment System (OPPS) and allows Maryland to set rates for these services. Under the waiver, all third parties (e.g., HMOs, Insurance Companies, Medicare, Tricare) pay the same rate. An important exception to the rate regulation system exists for research related patient care services.

The existing Johns Hopkins Medicine research discount pricing model was established in 2014 and has a two-tier structure equivalent to 100% of the current CMS Medicare Fee Schedule for government and not-for-profit sponsors and 150% for pharmaceutical firms and other for-profit sponsors. Because of state mandated data reporting requirements, charges within our Epic hospital services (HB) billing system appear on Research Study Account (RSH) statements at the unadjusted charge description master (CDM) rate and are discounted at a statement level.

Each year the total research charges billed to all RSH study accounts are analyzed to determine new discount percentages. The discount rates for statements generated after **April 1, 2020** Hospital Billing (HB) charges will be 71.1% of the facility charge master for Government/Not for Profit organizations and by 56.8% for Pharmaceutical/For Profit sponsors.

Using our outpatient visit example, the hospital services portion takes place in a regulated space, with a laboratory test and facility fee totaling \$200.00. The study has a Prospective Reimbursement Analysis (PRA) and is sponsored by XYZ Life Sciences, a pharmaceutical corporation.

\$200.00	Hospital services For I.M. Anypatient, Study Enrollee
- \$113.60	Research Discount Adjustment of 56.8%
\$86.40	Discounted Research Charges Billed to Study Budget

## Physician Services Fee Schedule

In a sense, the discount for physician services is “built in” to the Research Fee Schedule for professional services (PB). Physician service charges are not regulated in Maryland and not subject to reporting and regulatory requirements that affect hospital billing. The Johns Hopkins School of Medicine Faculty Clinical Practice Association established guidance in 2009 that all CPT codes generating physician services charges be equivalent to 150% of the current CMS Professional Services Fee Schedule.

Again, using our example for I.M. Anypatient, a typical Level IV visit to the department would be \$442.00. However, the amount on to the research statement is much less than standard the department fee schedule. No other reductions take place on the PB portion of the research statement.

\$265.13	New Patient, Level IV Office Visit Research Fee Schedule (150% of CMS)
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\$265.13	Research Fee Schedule Charge Billed to Study Budget
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## Example Wrap Up – Study Account Billing

Putting both, the HB and PB examples together, the statement might look like this:

On Statement	Charged to RSH Study Account
\$200.00 HB Services Billing Charge	\$86.40 Adjusted Charge
\$265.13 PB Services Billing Charge	\$265.13 Research Fee Lvl IV, New
\$465.13 Adjusted total before discount	\$351.53 Billed to Study IO#

## Using Research Fee Schedules and Pricing with Discounts

Because the Maryland hospital rate regulation body known as the “*Health Services Cost Review Commission*” (HSCRC) periodically adjusts our facility charge description master, the amount charged over time during a year may fluctuate. This means a service CDM charge rate can move up or down, yet the established discount rate for hospital patient service charges during a year remains fixed.

Back to our example study with I.M. Anypatient. In May 2020 a hospital service test CDM rate is \$100. In November the same test CDM rate is \$115. In May the test would cost a study \$56.80 and in November, \$65.32.

A research charge amount, whether from the Physician Billing Research Fee Schedule or discounted hospital service charge should never be used as the budget cost passed on to sponsor organization. Study teams should contact the

Clinical Research Support Services (CRSS) team to access pricing and develop budgets that ensure financial integrity of research projects.

## Resources

*For all Epic-based physician and hospital based research fee schedules and discounted pricing:* Clinical Research Support Services at [CRSS@jhmi.edu](mailto:CRSS@jhmi.edu) or via phone at 410-361-8362.

*For fees used in budgets for imaging services on the Johns Hopkins Hospital campus:* [RadResearchBilling@jhmi.edu](mailto:RadResearchBilling@jhmi.edu).

*For billing related compliance related reports or questions*

Clinical Research Billing Compliance: [cliniresbilling@exchange.jhmi.edu](mailto:cliniresbilling@exchange.jhmi.edu) or via phone at (410) 361-8660.

## Need Help?

If you need help, have questions or want to suggest topics for future newsletters you can email us at:

[CLINIRESBILLING@exchange.johnshopkins.edu](mailto:CLINIRESBILLING@exchange.johnshopkins.edu)

For more information, visit the **Research Revenue Cycle Website**

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