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DEPARTMENT OF HEALTH

METHODOLOGY OF PRICES

ABU DHABI DEPARTMENT OF HEALTH
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1. 2024 Price List

1.1. Purpose

This report outlines the methodology used to update the existing price list for ambulatory services contained in the Mandatory Tariff with the new 2021 AMA CPT© and HCPCS codes. It explains the approach used to determine prices in AED for the Basic Product.

1.2. Objective

The DOH Mandatory Tariff was last produced in Q2 2012 based on CPT-4 © AMA codes with only minor updates since then, the latest dated 30 June 2020. The Mandatory Tariff still contains the 2011 AMA CPT© and HCPCS code sets. As with the last major update in 2021, the main purpose is the maintenance of the system to accommodate the billing and payment for expanded clinical care offered and introduction of new technology. The rates are created based on maintaining constant (+/- 1%) overall healthcare spend for the Basic Product. In this context of updating to the 2021 CPT codes, the objective of the new 2024 price list was to maintain the prices for the codes that do not change between 2018 and 2021 and to calculate prices for the newly added 2021 codes.

2. Methodology

This section outlines the method used to assign prices to the 2021 AMA CPT© and HCPCS codes within the new 2024 price list.

2.1. Identify new codes

In line with the decision to maintain the prices for the 2011 and 2018 codes that did not change, the first step was to identify the new CPT and HCPCS codes that did not exist in the most current Mandatory Tariff ("Mandatory tariff v2012 Biobank Sep. 28, 2023.xlsx"). This was done by a baseline comparison to the official AMA-American Medical Association's January 2021 CPT codes and the official CMS-Centers for Medicare & Medicaid Services' HCPCS code set. Codes in the official lists that did not appear in the current Mandatory Tariff were identified as new codes. Details about code counts, types and ranges are listed in Tables 1 and 2.

Table 1: Count of Codes in Mandatory Tariff File

Code Counts			
	2021 Q1_2018 Code set	**New Codes**	**2024 Q1_2021 Code set**
Total codes Mandatory Tariff	**18,862**	**1,499**	**20,361**
CPT	11,006	698	11,704
HCPCS	7,856	801	8,657
Re-instated	29	-	-

Table 2: Code Types for CPT and HCPCS

Newly added codes types	Code Range	Count
CPT		**698**
Evaluation & Management	99201-99499	-
Anesthesia	00100-01999	-
Surgery	10004-69990	83
Radiology	70010-79999	24
Pathology & Laboratory	80047-89389	107
Medicine	90281-99607	101
Category II: Performance measures	0001F-9007F	5
Category III: Emerging Technology	0016T-0207T	134
Multianalyte Assay with Algorithmic Analyses	0002M-0016M	11
Proprietary Laboratory Analyses	0001U-0326U	233

HCPCS	Code Range	801
Medical & surgical supplies	A4206-A8004	5
Administrative, Miscellaneous and Investigational	A9150-A9999	4
Enteral and Parenteral Therapy	B4034-B9999	2
CMS hospital outpatient payment system	C1000-C9999	48
Dental Procedures	D0120-D9999	208
Durable medical equipment	E0100-E8002	4
Temporary procedures/professional services	G0000-G9999	212
Drugs other than chemotherapy	J0100-J8999	98
Temporary codes assigned to DME regional carriers	K0000-K9999	11
Orthotics	L0100-L4999	1
Prosthetics	L5000-L9999	5
Miscellaneous Medical Services	M0075-M0301	2
Screening Procedures	M1003-M1071	52
Episode of Care	M1106-M1143	33
Other Services	M1145-M1149	5
Laboratory services	P0000-P9999	1
Temporary codes assigned by CMS	Q0000-Q9999	92
Temporary national codes established by private payers	S0000-S9999	1
Temporary national codes established by Medicaid	T1000-T9999	2
Coronavirus Diagnostic Panel	U0001-U0005	5
Vision services	V0000-V2999	1
Hearing Services	V5008-V5364	9

2.2. Codes excluded from price assignment

Following the identification of 2,095 new CPT and HCPCS codes, exclusions were applied to determine which codes would need to have a price assigned. The existing approach of not pricing the majority of the HCPCS codes and temporary codes was applied.

Table 3, below, lists the new codes, by type, that were excluded from price assignment and the reasons why.

Table 3: Excluded Codes

Excluded Codes	Reason	Count
HCPCS	**Total**	801
	Negotiated with payor	801
CPT	**Total**	**389**
T Codes	Category III CPT codes are a set of temporary codes for emerging technology, services, and procedures. These codes are intended to be used to track the usage of these services, and the data collected may be used to substantiate widespread usage in the Food and Drug Administration (FDA) approval process.	134
F Codes	CPT Category II codes are supplemental tracking codes that can be used for performance measurement. The use of the tracking codes for performance measurement will decrease the need for record abstraction and chart review, and thereby minimize administrative burdens on physicians and other health care professionals.	5
Vaccine Codes	Claiming for Vaccines/Toxoids is based on the MOH Drug Codes and the CPT Administration codes (90465-90474)	6
Multianalyte Assay with Algorithmic Analyses	MAAA is a new CPT code category created by AMA to describe advanced diagnostic tests. Codes under this category are “numeric scores” and are reimbursed using Category I CPT codes.	11
Proprietary Laboratory Analyses	Negotiated with payor	233

All existing active codes in the original Mandatory Tariff were excluded from having a “new”2021 price assigned. The price was left as set in previous versions.

2.3. Price assignment for new codes

Once the new codes for price assignment were identified, the same rate setting methodology as previously used in 2012 and described in "HAAD Mandatory Tariff List - Version: V2012 –Q2" publication was applied to calculate the prices. Below is a summary of the 2012 process followed, along with the steps taken to assign the new prices.

2.3.1 Calculating the base valuation

Medicare Relative Value Unit (RVU)

The Medicare RVUs were applied in the same way they were applied in 2012. For consistency with the existing prices the facility RVU was applied to calculate prices for the new surgical CPT codes and the non-facility RVU for most other code types (E&M, Medicine, Radiology etc.).

Both the facility and the non-facility RVUs were derived from the October 2021 RVU file, published by CMS at this site.[1] If in any case that the RVU for a code is not published in the 2021 file, the 2023 RVU file was used for that code.

Price assignment was calculated with a 2021 Medicare fee for service rate (1 RVU=$34.8931 USD) and a currency translation factor (1 USD = 3.673 AED).

The formula is as follows:

Surgical Codes:

AED 2021 CPT code price = (2021 facility RVU) x 34.8931 x 3.673 x (localization factor)[2]

All other Code types:

AED 2021 CPT code price = (2021 non-facility RVU) x 34.8931 x 3.673 x (localization factor)[3]

Medicare Clinical Diagnostic Laboratory Fee Schedule (CLAB)

For laboratory codes CMS does not provide a RVU but rather the clinical diagnostic laboratory fee schedule. These CLAB units are already in US dollars and multiplied by the conversion rate to get an AED price.

The CLAB values were derived from the 2021/Q$ CLAB file published by CMS at this site.[4] The formula is as follows:

AED 2021 laboratory code price = (2021 CLAB value) x 3.673 x (localization factor)[3]

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[1] https://www.cms.gov/medicaremedicare-fee-service-paymentphysicianfeeschedpfs-relative-value-files/rvu21d
[2] see 2.3.2 for localization factor explanation
[3] see 2.3.2 for localization factor explanation
[4] https://www.cms.gov/medicaremedicare-fee-service-paymentclinicallabfeeschedclinical-laboratory-fee-schedule-files/21clabq4

2.3.2 **Localization of established Fee for Service Rates**

Given the previously existing codes prices were carried over to 2021, the 2012 localization adjustments factors, 2012 capping ranges were applied to the price assignment for the new codes.

The following adjustment factors were used:

Table 4: Adjustment Factors

Adjustment factors	
Laboratories and Pathology	73%
Medicine (Medical Services)	86%
Radiology and Radiation	57%
Evaluation & Management (E&M)	36%
Other E&M Outpatient	36%
Surgeries and Procedures	100%

2.3.3 **Pricing of Codes with no RVUs**

RVUs are not always allocated to every CPT code in a code set by Medicare. The allocation of RVUs is dependent on the Status Indicators of the CPT codes. Bundled services, non-covered services, and insurance-dependent pricing are some of the reasons why RVUs are not allocated to a code. It is for this reason that 48 CPT codes were priced using a benchmark exercise.