

## **Medi-Cal Raises Reimbursement Rates for FIT/iFOBT Tests**

*Department of Public Health and Department of Healthcare Services collaborate to make policy change affecting Medi-Cal Beneficiaries*

### **Public Health Problem**

Medi-Cal (California's Medicaid program) providers had expressed concern over the low Fee-for-Service (FFS) reimbursement rate for Fecal Immunochemical Test (FIT)/Immunochemical Fecal Occult Blood Test (iFOBT), which, at \$4.49, is far below the single or bulk test kit purchase cost. The reimbursement rate of \$4.49 is the same reimbursement rate as for the guaiac-based FOBT.

According to 2008-2010 Medi-Cal (M/C) paid claims data, only about 5.6% of M/C FFS enrollees between 50 and 64 years of age were screened for CRC. Anecdotally, FFS primary care providers/clinics are more apt to use the older, less reliable guaiac FOBT because its cost is closer to the M/C reimbursement rate, as they chose not to incur the unreimbursed cost of purchasing and billing for the FIT. Since FFS M/C providers were not widely utilizing FIT/iFOBT as a CRC screening test, C4P realized that the insufficient reimbursement for FIT/iFOBT would have a significant negative impact on the underserved M/C beneficiary population.

### **Program**

The California Colon Cancer Control Program (C4P) contacted the Department of Health Care Services (DHCS) to inquire how the reimbursement rate for the FIT/iFOBT is determined. The Rates Analysis Unit/Medi-Cal Benefits Division (Unit) determined that the current FIT/iFOBT reimbursement rate had not been updated since it was first created in December 2002. M/C reimbursement rates are generally 80 percent of the Medicare rate and the current 2012 Medicare rate for FIT/iFOBT is \$22.53; therefore, the reimbursement rate for FIT/iFOBT should be \$18.02. The Unit found that the utilization for 82274 was very low and surmised the low utilization was probably due to the very low reimbursement as compared to the out-of-pocket expense for the FIT/iFOBT. Using data analyses from the previous 3 years and projections into 2013, the analysts estimated the number of M/C enrollees who would benefit from increased provider utilization of FIT/iFOBT testing and the estimated cost-savings to M/C due to decreased expenditures for treatment of late-stage and advanced colorectal cancer and recommended a rate increase.

### **Impact**

In April 18 2013, DHCS informed C4P that the rate increase for CPT Code 82274 (FIT/iFOBT) was approved. The effective date for implementation of the rate increase was July 1, 2013. The expected impact of this rate change is an increase in Medi-Cal enrollees screened for CRC using the FIT/iFOBT.

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