Estimated Relationship Among Texas Medicaid, Medicare, and Commercial Fees - Selected Procedures

CPT Code	Description	*Medicare (Rest of Texas) Fee - April 2013	*Estimated Average Commercial Fee	Medicaid Children	% of Medicare (Rest of Texas)	% of Estimated Commercial	Medicaid Adults	% of Medicare (Rest of Texas)	% of Estimated Commercial
27130	Hip replacement	$1,376.69	$1,720.86	$1,214.47	88%	71%	$1,156.63	84%	67%
33533	Heart bypass surgery	$1,811.11	$2,263.89	$1,588.60	88%	70%	$1,512.94	84%	67%
42825	Tonsillectomy - Child	$256.58	$320.73	$202.64	79%	63%	N/A		
44950	Removal of appendix	$612.85	$766.06	$532.15	87%	69%	$506.81	83%	66%
59409	Vaginal delivery	$791.77	$989.71	$583.24	74%	59%	$555.46	70%	56%
90792	Psychiatric exam	$121.73	$152.16	$119.82	98%	79%	$113.91	94%	75%
92002	Eye exam (new patient)	$78.10	$97.63	$64.84	83%	66%	$61.75	79%	63%
99203	Initial physician office visit	$102.43	$117.74	$60.33	59%	51%	$54.41	53%	46%
99213	Follow up physician office visit	$69.06	$79.38	$36.89	53%	46%	$33.27	48%	42%
99232	Hospital exam	$67.80	$77.93	$49.42	73%	63%	$44.57	66%	57%
99308	Nursing home exam	$64.98	$74.69	$40.22	62%	54%	$36.28	56%	49%
*99385	Preventive Care (adults, ages 21-39)	$106.47	$122.38	N/A			$78.85	74%	64%

Notes:

1. Although there is no public data on commercial plan payments to physicians, we have estimated these values based on information from the Medicare Payment Advisory Commission's Report to the Congress: Medicare Payment Policy, March 2012. MedPAC estimates that Medicare fees average 87% of commercial rates for office visits and consultations (known as Evaluation and Management codes), and 80% of commercial rates for all other procedures. MedPAC data are based on paid PPO claims for one large national insurer. We have used MedPAC's estimates to estimate commercial payments and calculate Medicaid payments as a percent of commercial payments.

2. For preventive care, Medicare does not pay code 99385; the comparison fee is for G0439, Medicare's annual preventive visit.

3. In every case, the Medicare fee used is for the "Rest of Texas" payment area, the lowest Medicare fees in the state. In other areas of the state including Dallas, Houston, Austin, Galveston and Ft. Worth, Medicare fees are higher, so commercial fees may be higher and the difference between Medicaid and commercial would be larger.