



**The Hilltop Institute**

*analysis to advance the health of vulnerable populations*

# Comparison of Maryland's and Neighboring States' Medicaid Fees to Medicare Fees

**FY 2018  
A Chart Book**

March 1, 2018

*Prepared for the  
Maryland Department of Health*



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# **Chapter 1.**

## **Overview of Maryland Physician Fees**

# Chapter 1. Overview of Maryland Physician Fees

## States Medicaid Physician Fees

This chart book compares the Medicaid reimbursement rates of Maryland and its surrounding states with Maryland's Medicare fee schedule for FY 2017. The surrounding states included in this study are Pennsylvania; West Virginia; Virginia; Washington, DC; and Delaware.

Medicare physician fees include three components: physician's work, practice expense (e.g., costs of maintaining an office), and malpractice insurance expense. The practice expense component composes, on average, approximately 40% of the total physician fee. When physicians render services in facilities, such as hospitals and long-term care facilities, they do not incur a practice expense. Therefore, facility fees are typically lower than non-facility fees.

Maryland and West Virginia have separate facility and non-facility fees. However, Delaware and Pennsylvania do not separate facility and non-facility fees; therefore, their fees are compared with Medicare non-facility fees. Hence, for Delaware and Pennsylvania, the percentages of Medicare fees reported underestimate the percentages of Medicare fees for procedures performed in facilities.

Virginia and Washington, DC have separate facility and non-facility fees for some procedures, but they did not report facility fees for some of the procedures that are included in this chart book. Therefore, this chart book only compares Medicaid non-facility fees of Virginia and Washington, DC with the corresponding Medicare non-facility fees for the Baltimore region.

In the following charts, facility is abbreviated as FA and non-facility is abbreviated as NF.

## Key Findings

In CY 2018, average Medicare fees in Maryland are approximately 6% higher than Medicare fees in Delaware, 4% higher than Medicare fees in Pennsylvania, 5% higher than Medicare fees in Virginia, and 7% higher than Medicare fees in West Virginia. On the other hand, average Medicare fees in Maryland are approximately 5% lower than average Medicare fees in Washington, DC.

# Chapter 1. Overview of Maryland Physician Fees continued

## Chart Book Organization

The data in this chart book are presented in three sections:

**Physician Fees for Evaluation and Management Procedures:** This section includes data on the Medicaid reimbursement rate for evaluation and management procedures as a percentage of the Medicare reimbursement rates for Maryland.

**Physician Fees for Surgical Procedures:** This section includes data on the Medicaid reimbursement rate for surgical procedures as a percentage of the Medicare reimbursement rate for Maryland.

**Physician Fees for Medical Procedures:** This section includes data on the Medicaid reimbursement rate for medical procedures as a percentage of the Medicare reimbursement rate for Maryland.

## Data Sources

The information in this chart book was derived from the FY 2018 Medicaid Physician Fee Schedules for Maryland and its neighboring states. The data were collected from the Medicaid physician fee schedules of Delaware, Pennsylvania, Virginia, West Virginia, and Washington, DC.

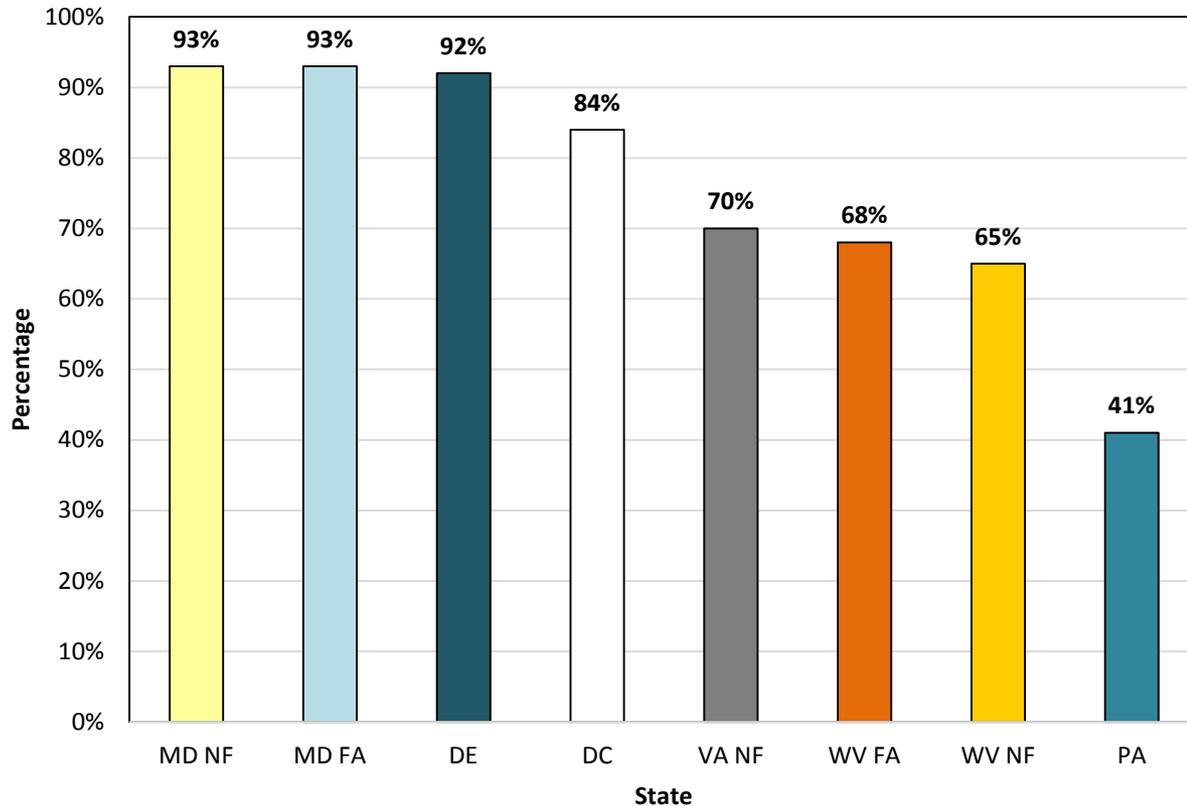
The charts compare Maryland and neighboring states' Medicaid fees for FY 2018 as a percentage of the corresponding Baltimore region Medicare reimbursement rates.

The charts show each state's weighted average Medicaid fees. Maryland Medicaid's numbers of claims and encounters were used as the weights for fees. The average percentages of Medicare fees reported in this table correspond to the appropriate Medicare non-facility and facility fees. More specifically, Medicaid non-facility fees are compared with Medicare non-facility fees, and Medicaid facility fees, reported for Maryland and West Virginia, are compared with Medicare facility fees.

# **Chapter 2.**

## **Evaluation and Management Procedure Fees**

**Figure 1. Evaluation and Management Weighted Average (%) of Medicare Fees**

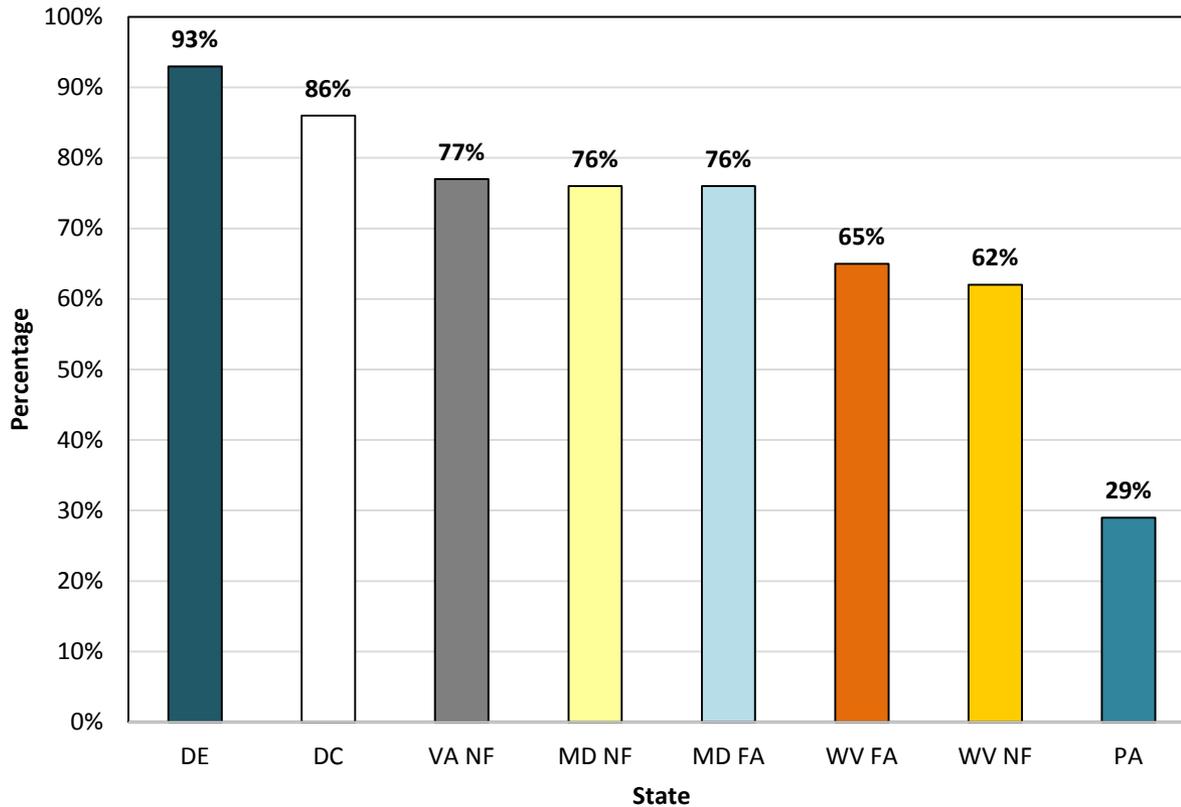


For evaluation and management procedures, Maryland non-facility and facility fees ranked first (tied). Delaware fees ranked second; Washington, DC fees ranked third; Virginia non-facility fees ranked fourth; West Virginia facility fees ranked fifth; West Virginia non-facility fees ranked sixth; and Pennsylvania fees ranked seventh.

# Chapter 3.

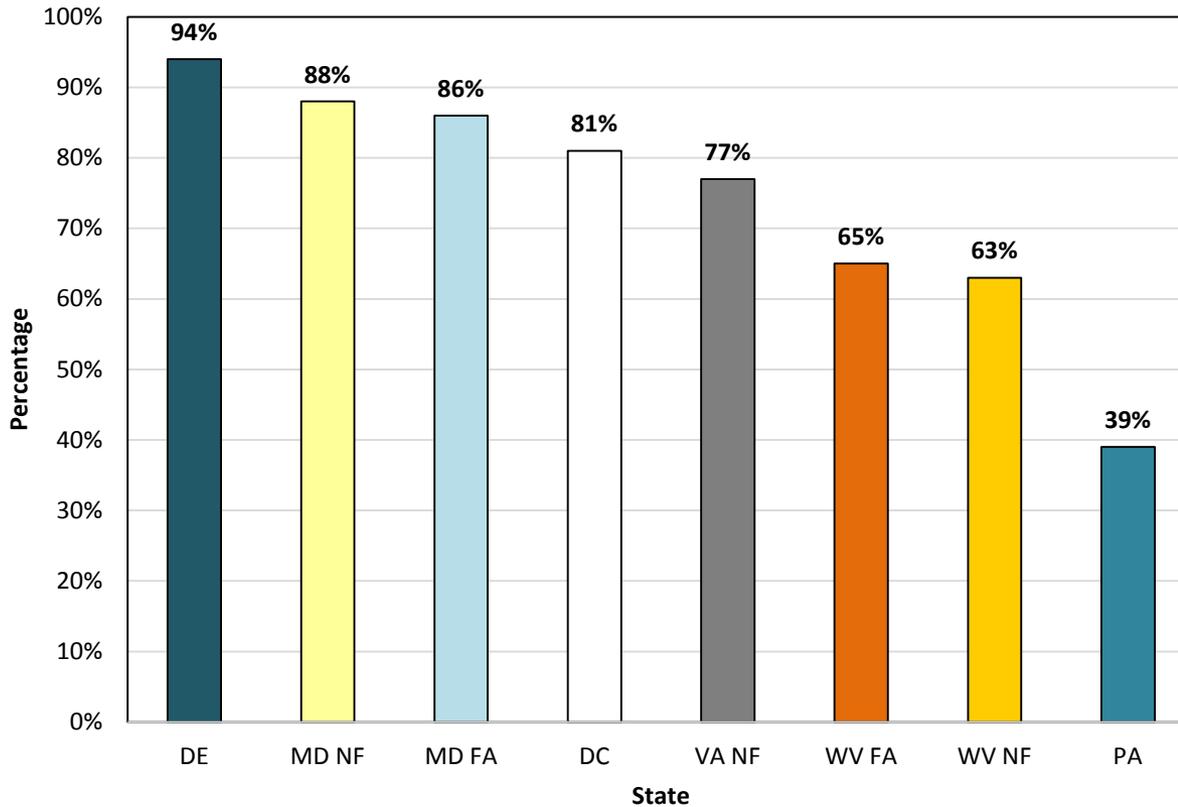
## Surgical Procedure Fee Data

**Figure 2. Integumentary and General Surgery Weighted Average (%) of Medicare Fees**



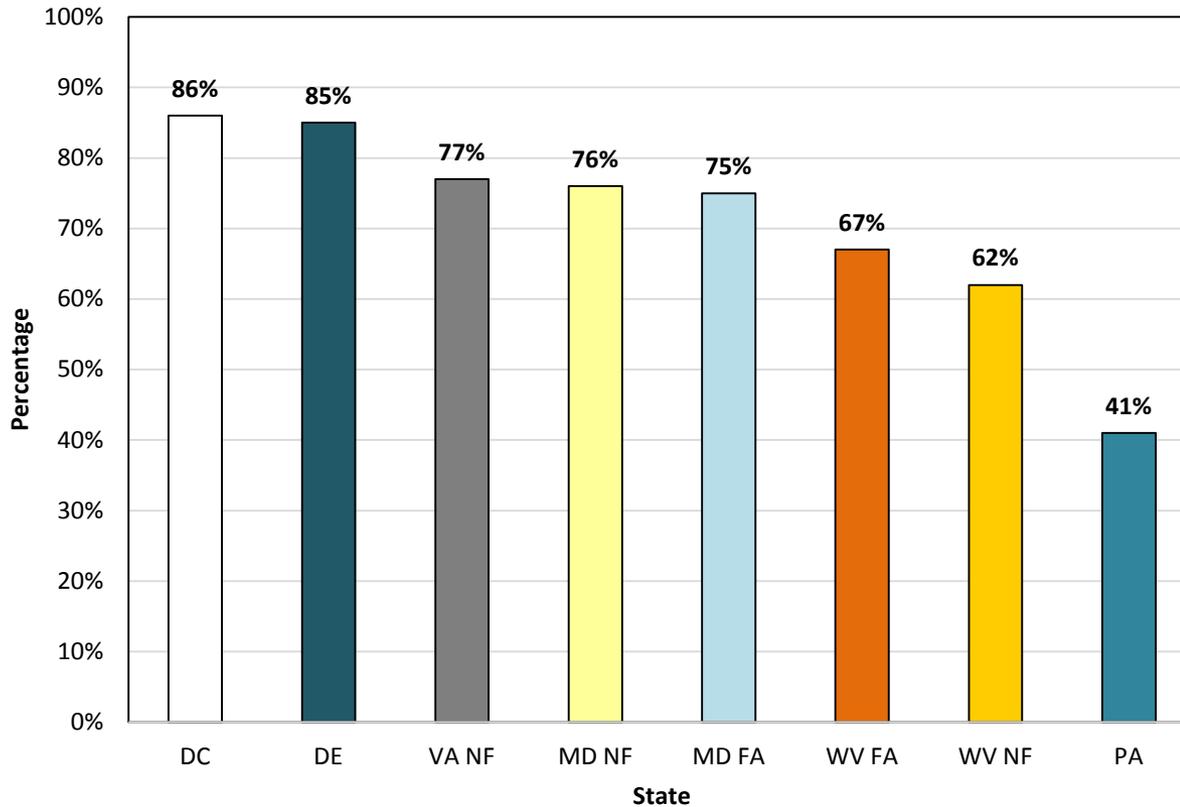
For integumentary and general surgery, Delaware fees ranked first, followed by Washington, DC. Virginia non-facility fees ranked third, Maryland non-facility and facility fees (tied) ranked fourth, West Virginia facility fees ranked fifth, West Virginia non-facility fees ranked sixth, and Pennsylvania fees ranked seventh.

**Figure 3. Musculoskeletal System Weighted Average (%) of Medicare Fees**



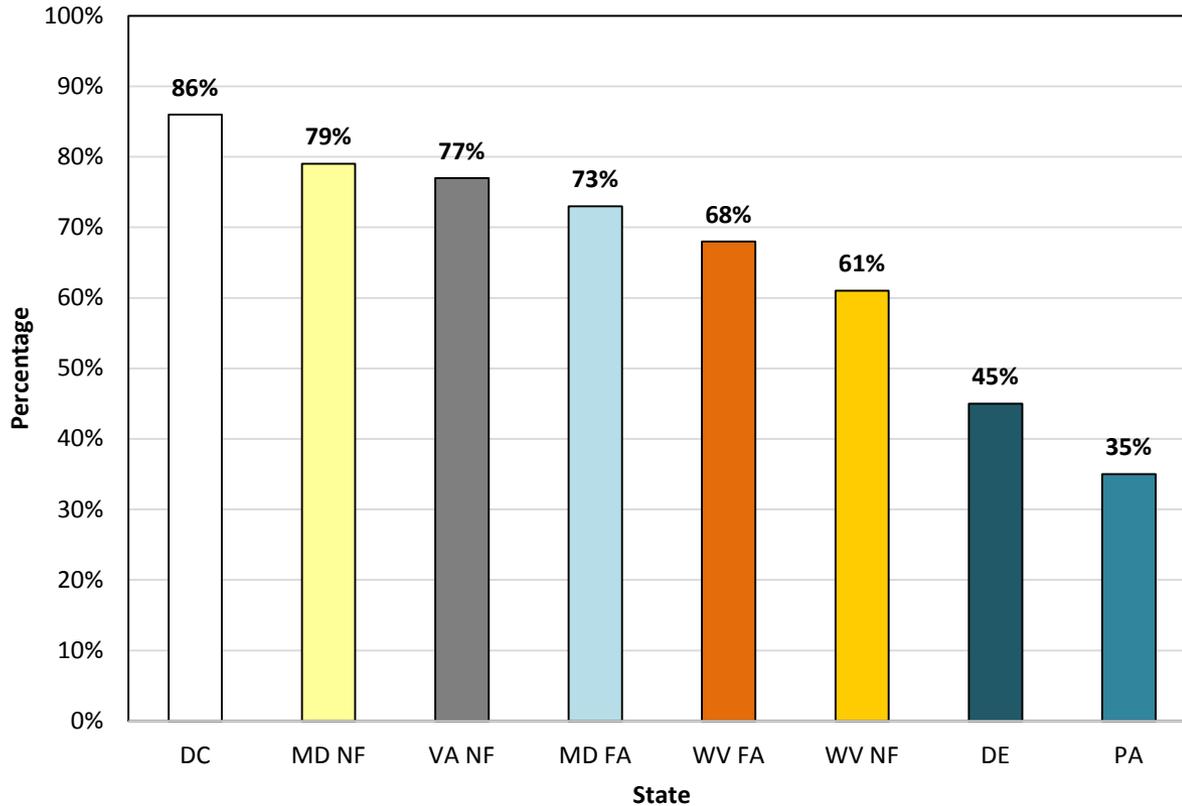
Delaware fees for musculoskeletal system procedures were the highest in the region. Maryland non-facility fees ranked second; Maryland facility fees ranked third; Washington, DC fees ranked fourth; Virginia non-facility fees ranked fifth; West Virginia facility fees ranked sixth; West Virginia non-facility fees ranked seventh; and Pennsylvania fees ranked eighth.

**Figure 4. Respiratory Weighted Average (%) of Medicare Fees**



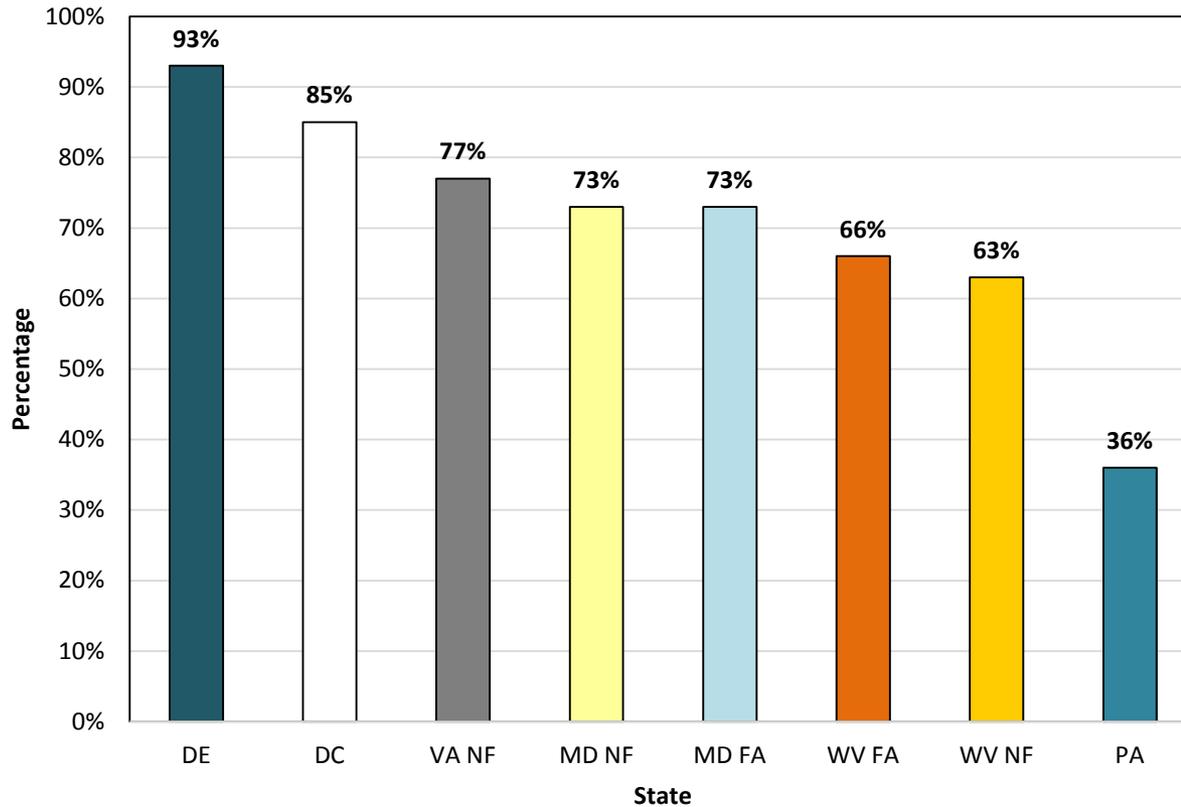
For respiratory procedures, Washington, DC fees ranked first; Delaware fees ranked second; Virginia non-facility fees ranked third; Maryland non-facility fees ranked fourth; Maryland facility fees ranked fifth; West Virginia facility fees ranked sixth; West Virginia non-facility fees ranked seventh; and Pennsylvania fees ranked eighth.

Figure 5. Cardiovascular System Surgery Weighted Average (%) of Medicare Fees



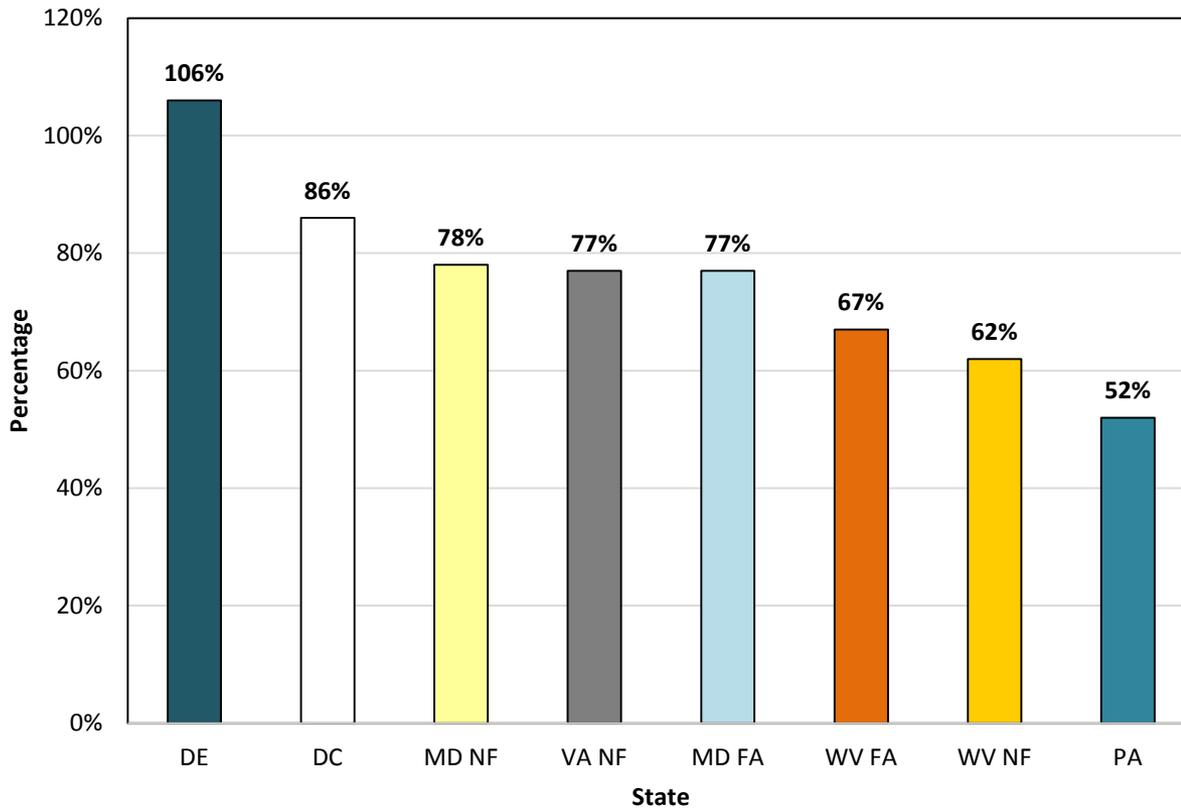
For cardiovascular surgical procedures, Washington, DC has the highest fees. Maryland non-facility fees ranked second; Virginia non-facility fees ranked third; Maryland facility fees ranked fourth; West Virginia facility fees ranked fifth; West Virginia non-facility fees ranked sixth; Delaware fees ranked seventh; and Pennsylvania fees ranked eighth.

**Figure 6. Hemic, Lymphatic, and Mediastinum Weighted Average (%) of Medicare Fees**



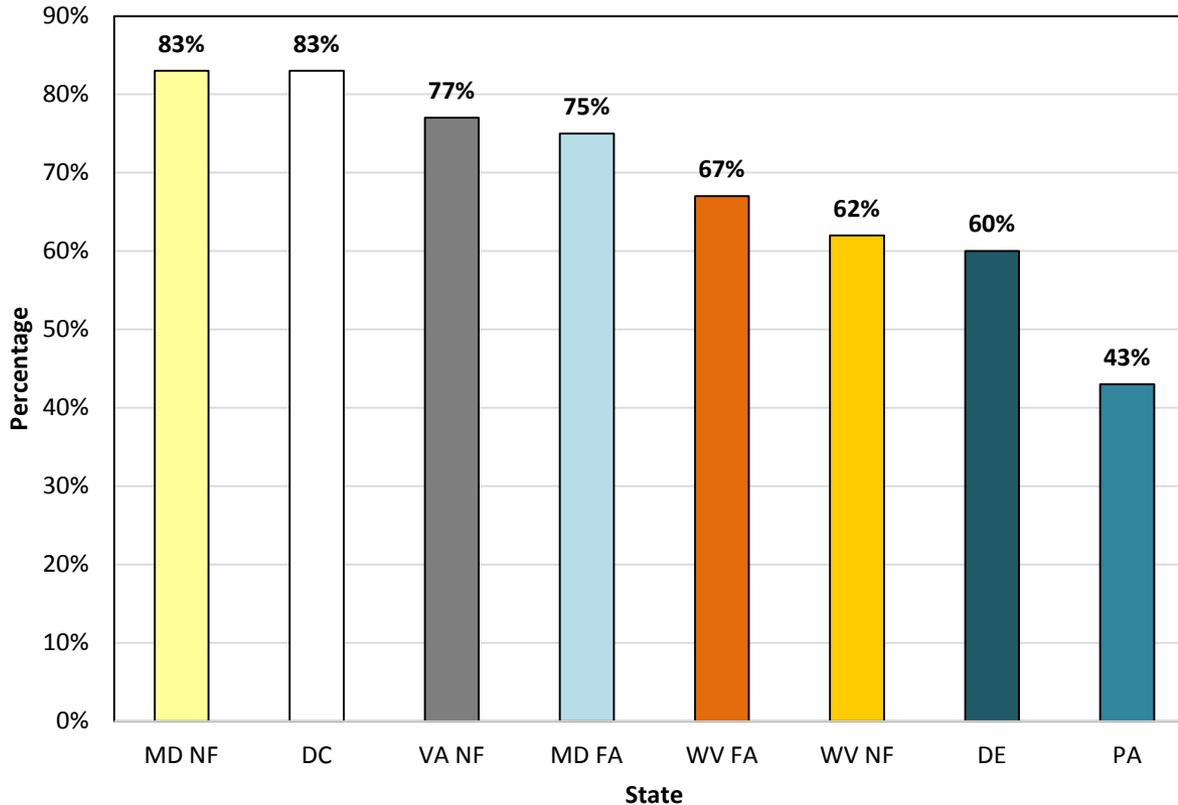
For selected hemic, lymphatic, and mediastinum procedures, Delaware fees were the highest in the region, followed by Washington, DC fees (second), Virginia non-facility fees (third), Maryland non-facility and facility fees (tied for fourth), West Virginia facility fees (fifth), West Virginia non-facility fees (sixth), and Pennsylvania fees (seventh).

**Figure 7. Digestive System Weighted Average (%) of Medicare Fees**



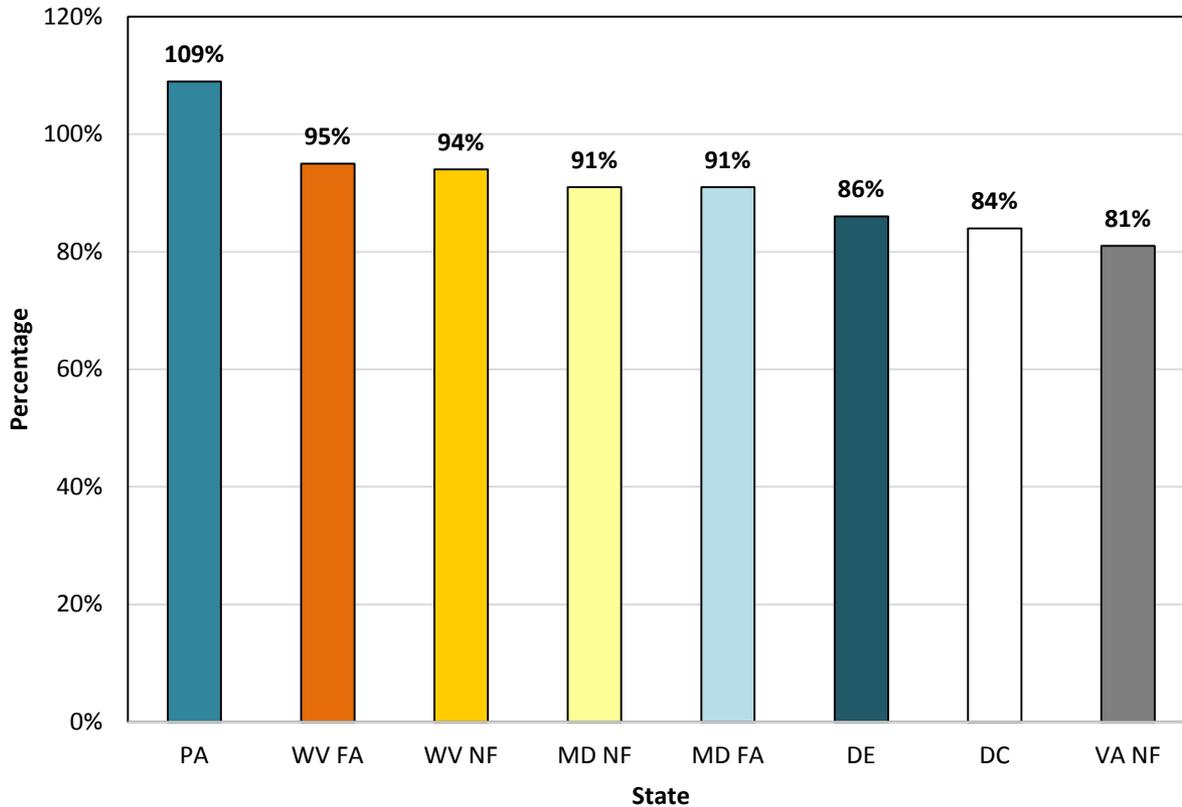
For selected digestive system procedures, Delaware fees ranked the highest, followed by Washington, DC fees (second), Maryland non-facility fees (third), Virginia facility fees and Maryland facility fees (tied for fourth), West Virginia facility fees (fifth), West Virginia non-facility fees (sixth), and Pennsylvania fees (seventh).

**Figure 8. Urinary and Male Genital Weighted Average (%) of Medicare Fees**



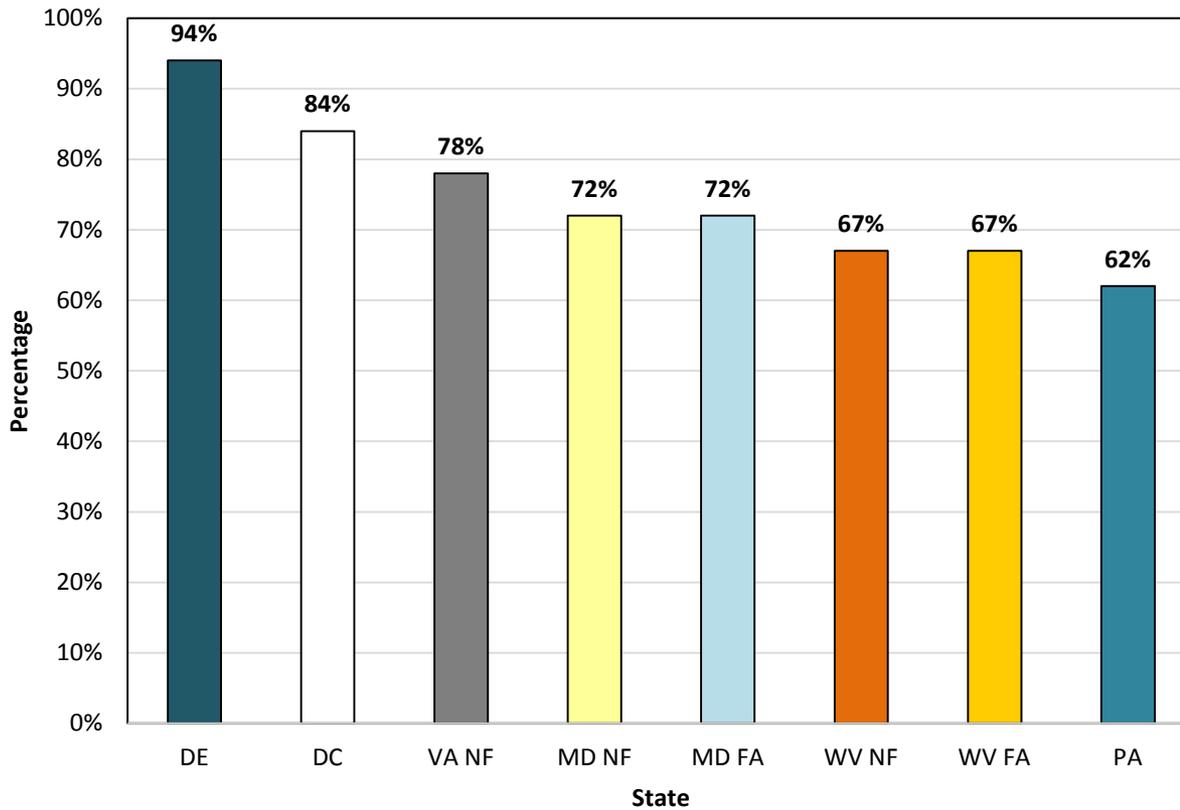
For urinary and male genital procedures, Maryland non-facility fees and Washington, DC fees were tied and ranked highest in the region. Virginia non-facility fees ranked second; Maryland facility fees ranked third; West Virginia facility fees ranked fourth; West Virginia non-facility fees ranked fifth; Delaware fees ranked sixth; and Pennsylvania fees ranked seventh.

Figure 9. Gynecology and Obstetrics Weighted Average (%) of Medicare Fees



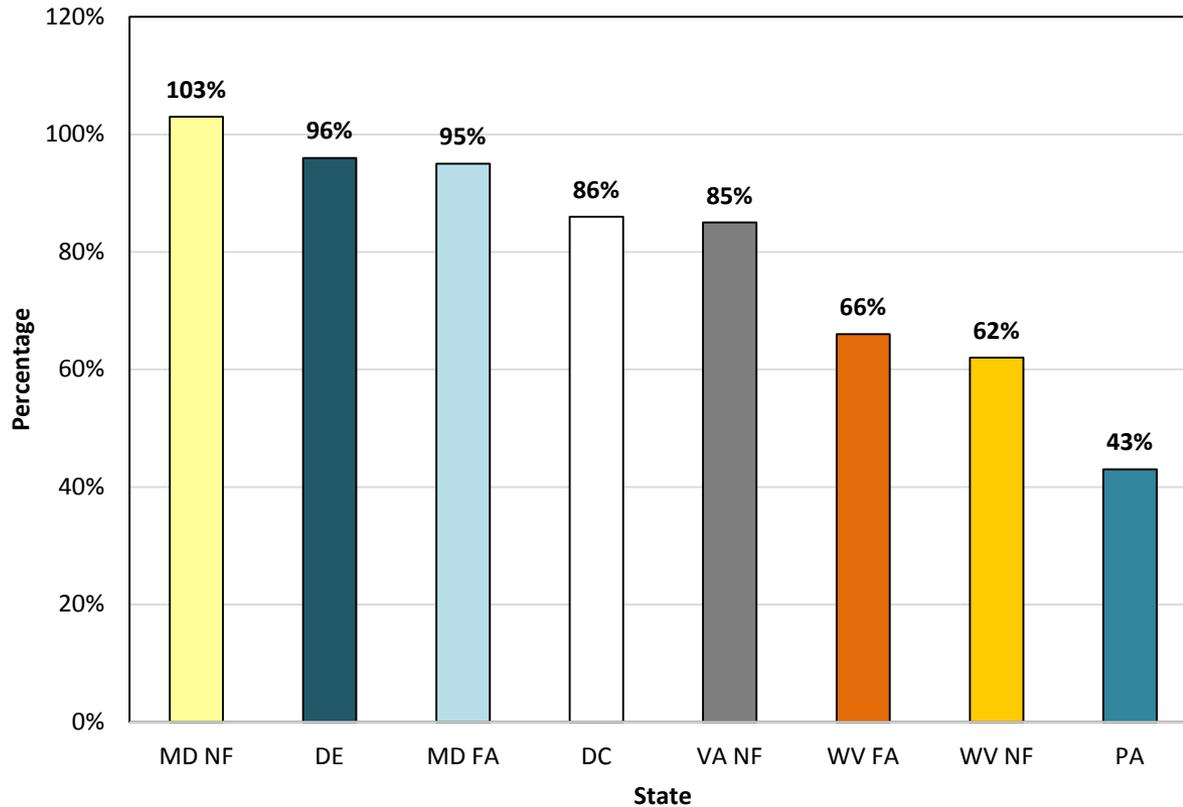
Pennsylvania fees for gynecology and obstetrics procedures ranked first in the region. West Virginia facility fees ranked second; West Virginia non-facility fees ranked third; Maryland non-facility and facility fees (tied) ranked fourth; Delaware fees ranked fifth; Washington, DC fees ranked sixth; and Virginia non-facility fees ranked seventh.

**Figure 10. Endocrine System Weighted Average (%) of Medicare Fees**



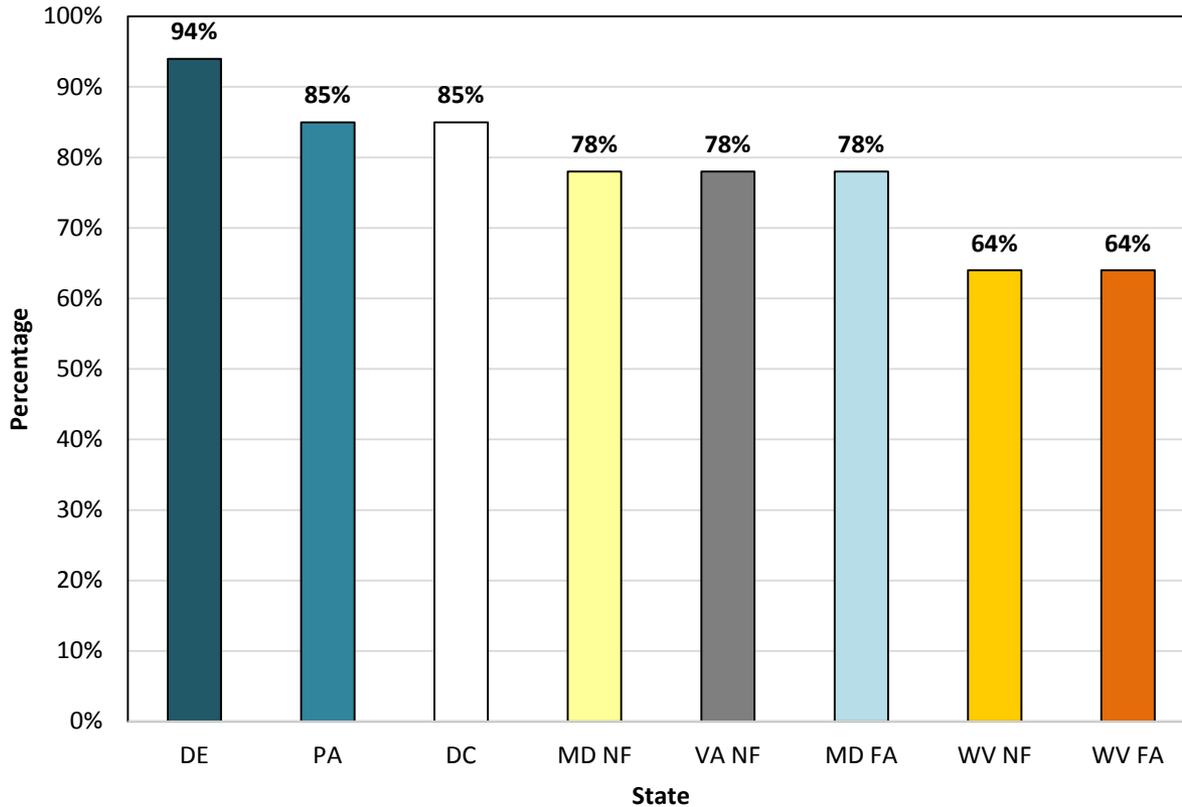
For endocrine system procedures, Delaware fees ranked the highest. Washington, DC fees ranked second; Virginia non-facility fees ranked third; Maryland’s non-facility fees tied with its facility fees and ranked fourth; West Virginia’s non-facility fees tied with its facility fees and ranked fifth; and Pennsylvania fees ranked sixth.

**Figure 11. Neurosurgery Weighted Average (%) of Medicare Fees**



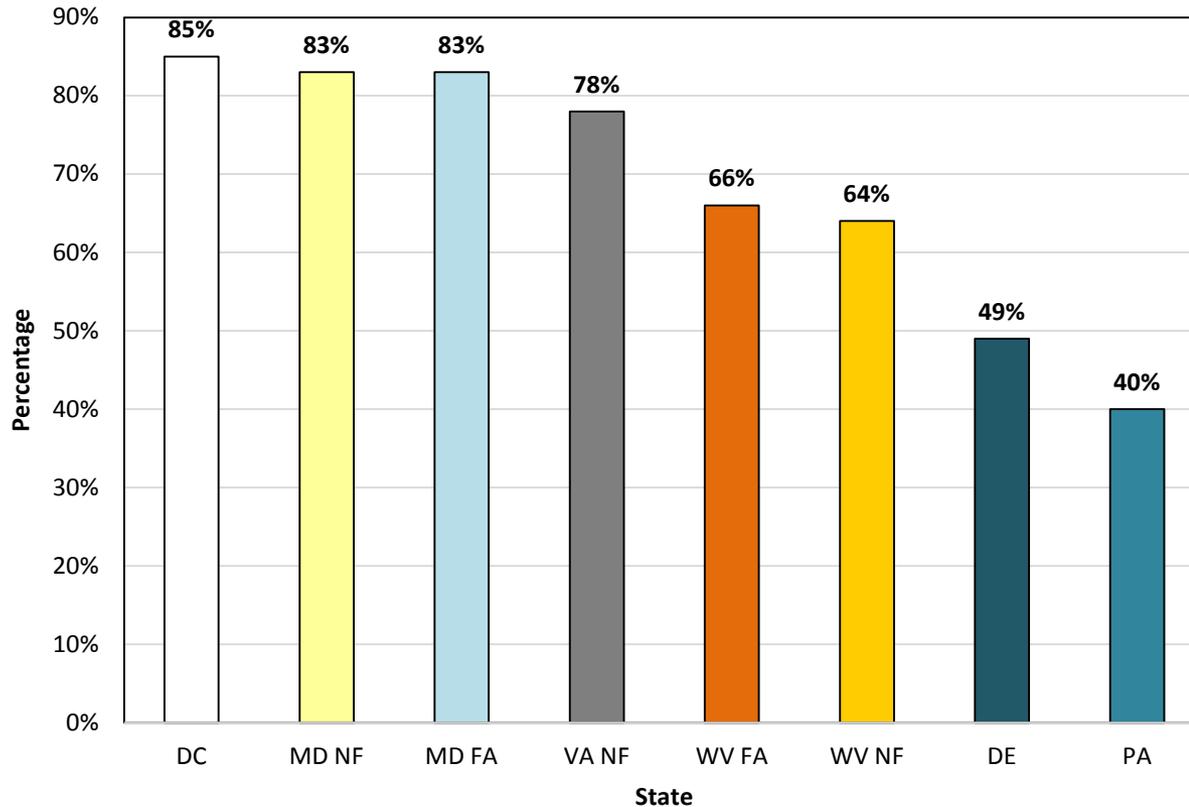
Maryland non-facility fees for neurosurgery procedures were the highest in the region, followed—in ranking order—by Delaware fees, Maryland facility fees, Washington, DC fees, Virginia non-facility fees, West Virginia facility fees, West Virginia non-facility fees, and Pennsylvania fees.

Figure 12. Eye Surgery Weighted Average (%) of Medicare Fees



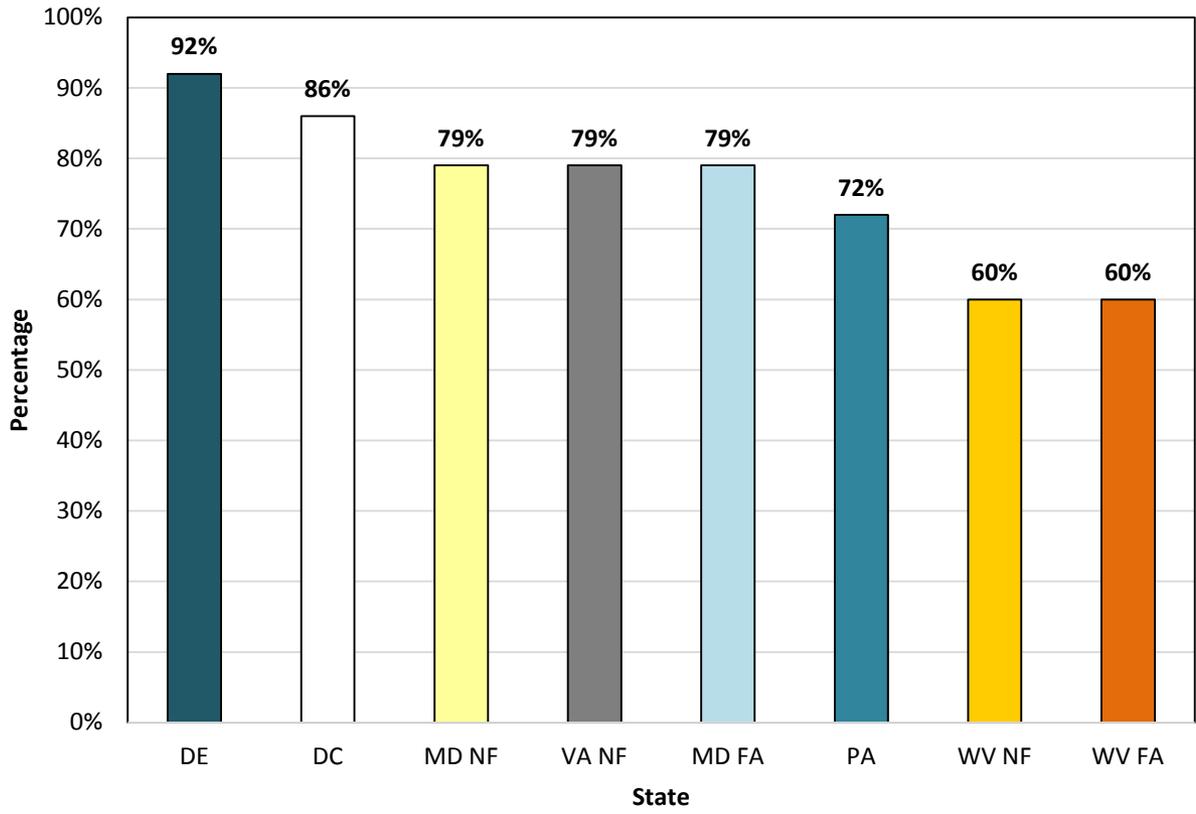
For eye surgery procedures, Delaware fees ranked first in the region. Pennsylvania fees and Washington, DC fees tied for second. Maryland non-facility fees, Virginia non-facility fees, and Maryland facility fees tied for third. West Virginia non-facility fees and West Virginia facility fees tied for fourth.

**Figure 13. Ear Surgery Weighted Average (%) of Medicare Fees**



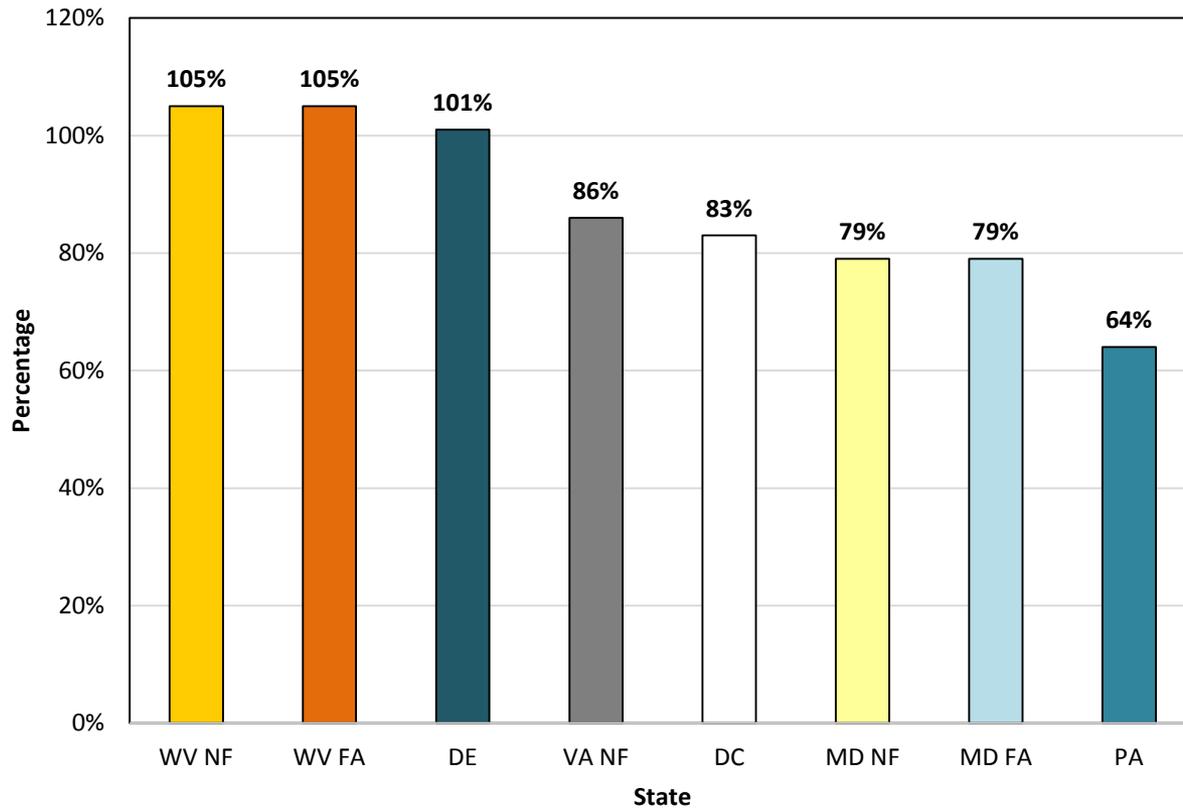
For ear surgery procedures, Washington, DC has the highest fees in the region. Maryland non-facility fees and Maryland facility fees (tied) ranked second, Virginia non-facility fees ranked third, West Virginia facility fees ranked fourth, West Virginia non-facility fees ranked fifth, Delaware fees ranked sixth, and Pennsylvania fees ranked seventh.

**Figure 14. Radiology Weighted Average (%) of Medicare Fees**



For radiology procedures, Delaware fees were highest in the region. Following Delaware—in ranking order—were Washington, DC fees; Maryland non-facility fees, Virginia non-facility fees, and Maryland facility fees (tied); Pennsylvania fees; and West Virginia non-facility and facility fees (tied).

**Figure 15. Laboratory Weighted Average (%) of Medicare Fees**

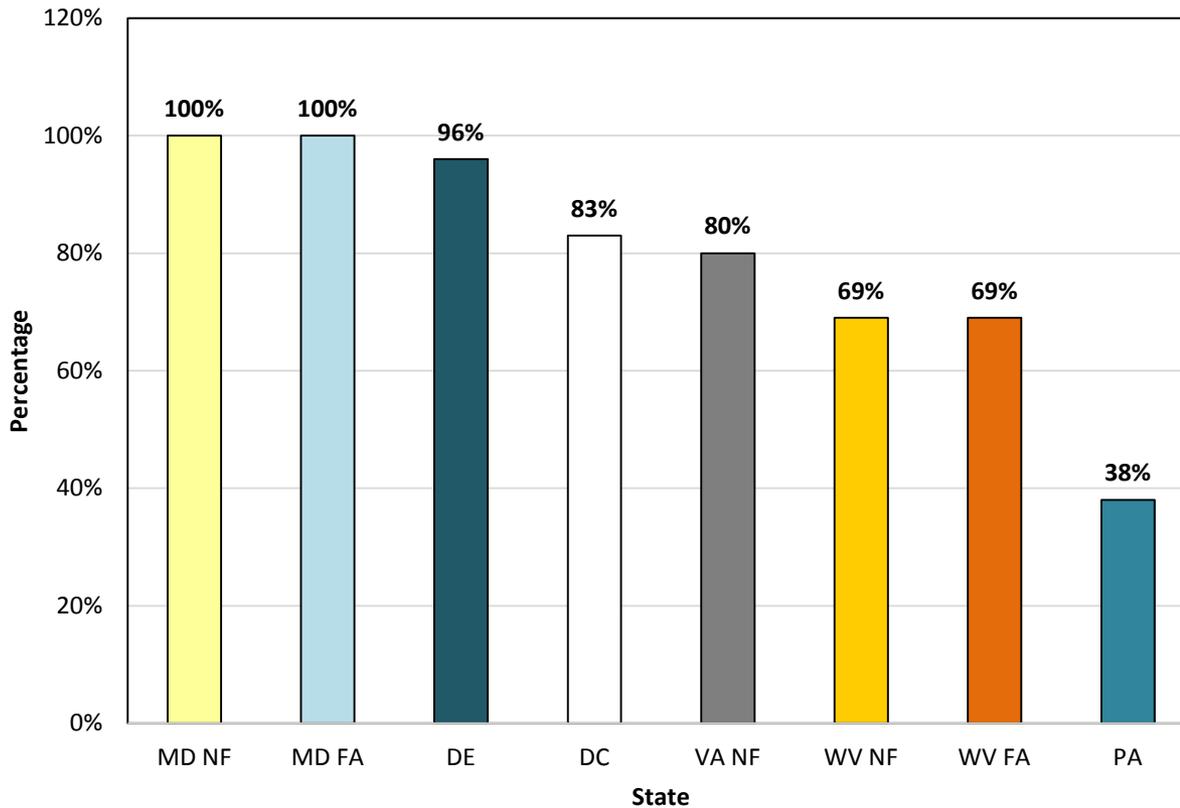


For each laboratory procedure, Medicare had one fee, regardless of place of service. West Virginia facility and non-facility fees (tied) were the highest in the region for the selected laboratory procedures, followed—in ranking order—by Delaware fees; Virginia non-facility fees; Washington, DC fees; Maryland non-facility and facility fees (tied); and Pennsylvania.

# Chapter 4.

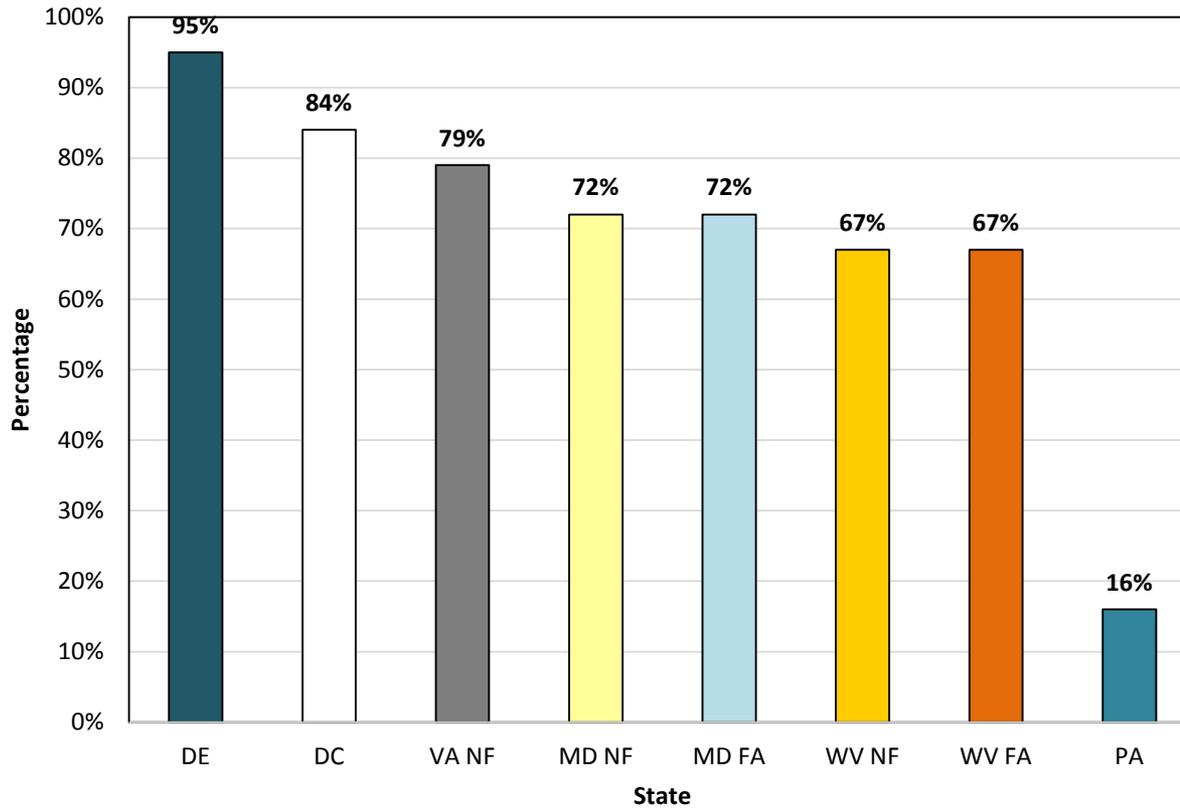
## Medical Procedure Fee Data

**Figure 16. Psychiatry Weighted Average (%) of Medicare Fees**



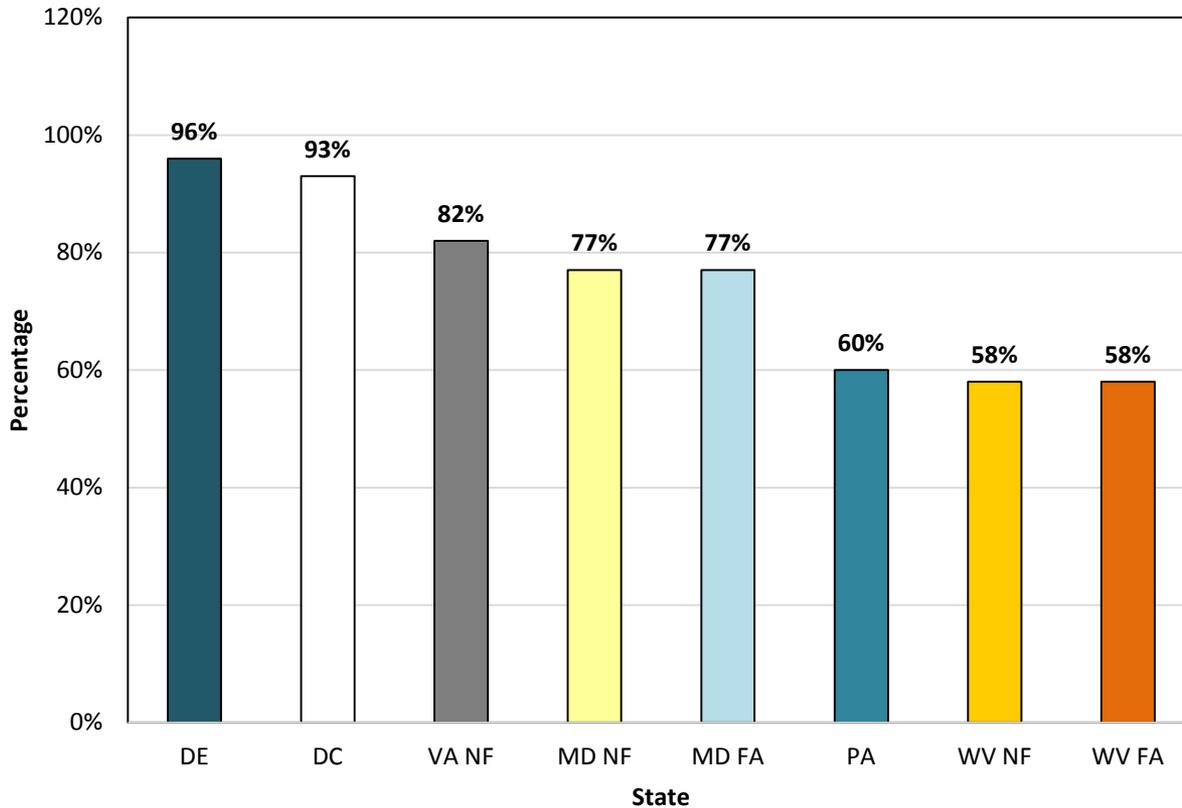
For selected psychiatry procedures, Maryland’s non-facility and facility fees (tied) ranked first in the region; Delaware fees ranked second; Washington, DC fees ranked third; Virginia non-facility fees ranked fourth; West Virginia non-facility and facility fees (tied) ranked fifth; and Pennsylvania fees ranked last.

Figure 17. Dialysis Weighted Average (%) of Medicare Fees



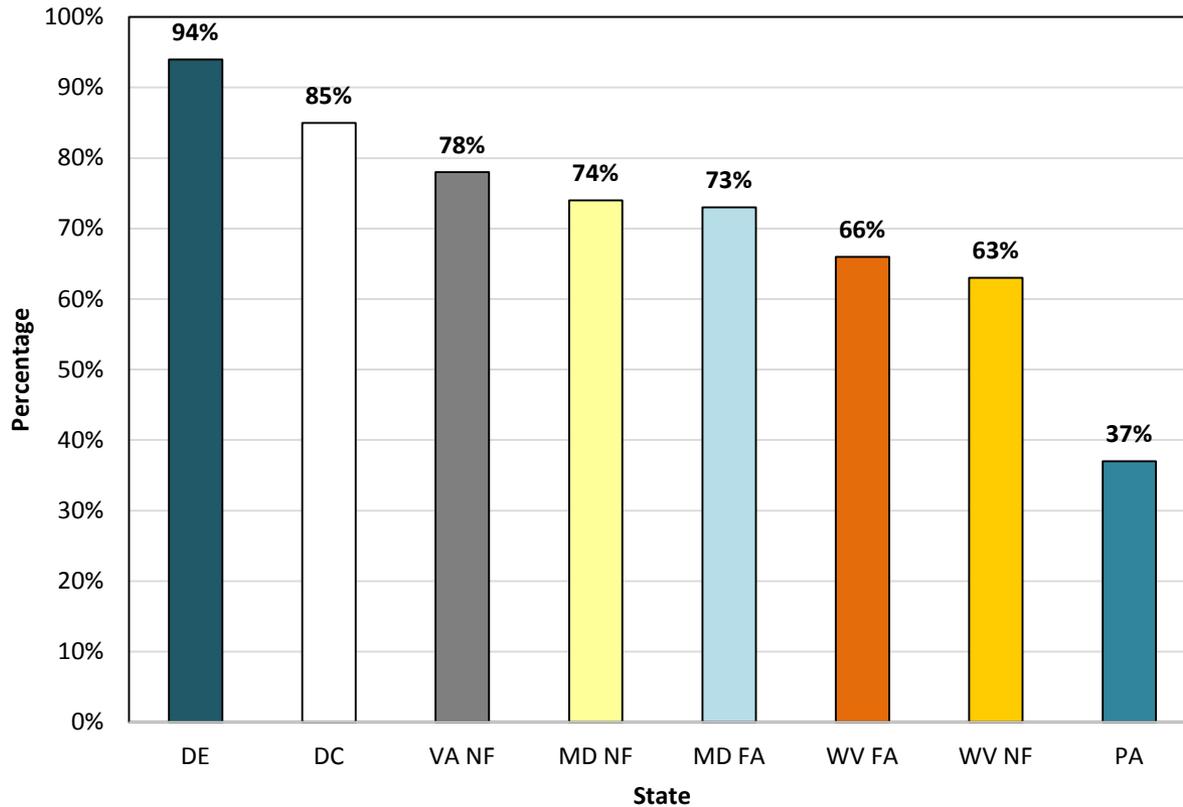
Delaware fees for dialysis procedures were highest in the region, followed—in ranking order—by Washington, DC fees; Virginia non-facility fees; Maryland non-facility and facility fees (tied); West Virginia non-facility and facility fees (tied); and Pennsylvania fees.

Figure 18. Gastroenterology Weighted Average (%) of Medicare Fees



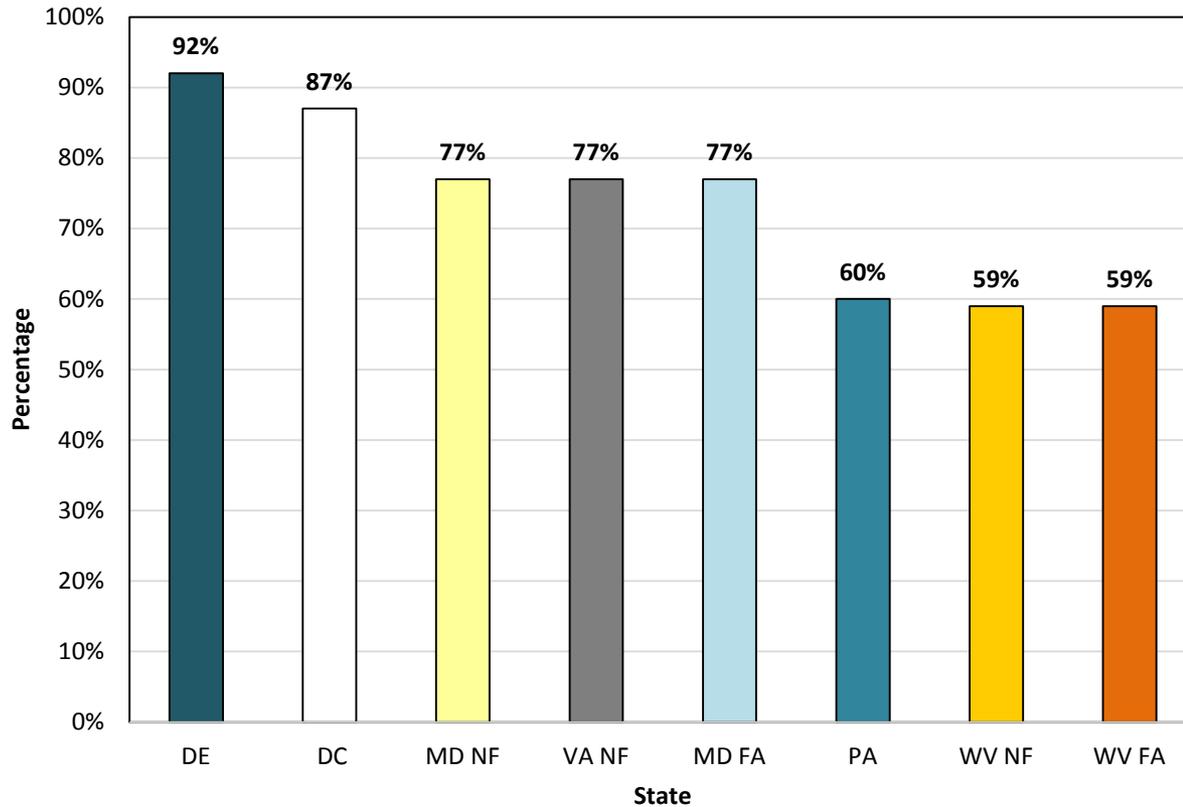
Delaware’s gastroenterology fees were highest in the region, followed—in ranking order—by Washington, DC fees; Virginia non-facility fees; Maryland non-facility and facility fees (tied); Pennsylvania fees; and West Virginia non-facility and facility fees (tied).

**Figure 19. Ophthalmology and Vision Care Weighted Average (%) of Medicare Fees**



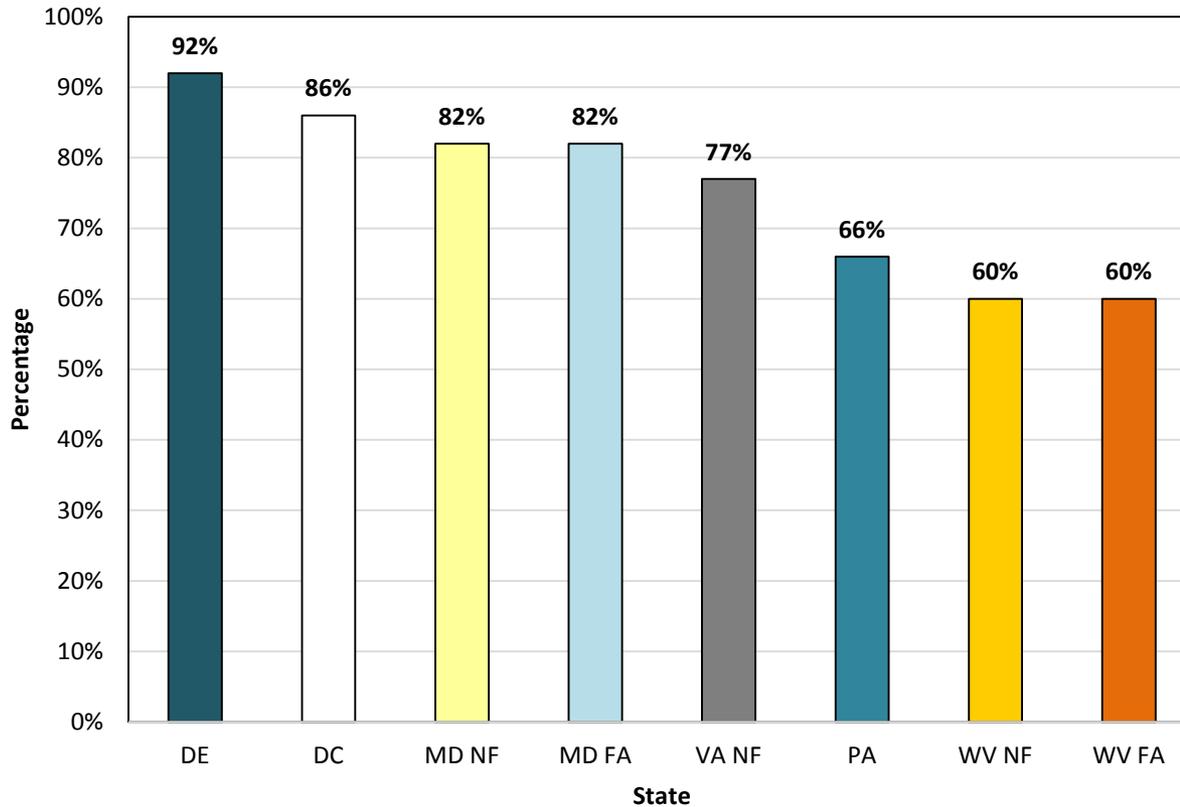
For the selected ophthalmology and vision care procedures, Delaware fees ranked first in the region, followed by Washington, DC, fees (second), Virginia non-facility fees (third), Maryland non-facility fees (fourth), Maryland facility fees (fifth), West Virginia facility fees (sixth), West Virginia non-facility fees (seventh), and Pennsylvania fees (eighth).

Figure 20. ENT (Otorhinolaryngology) Weighted Average (%) of Medicare Fees



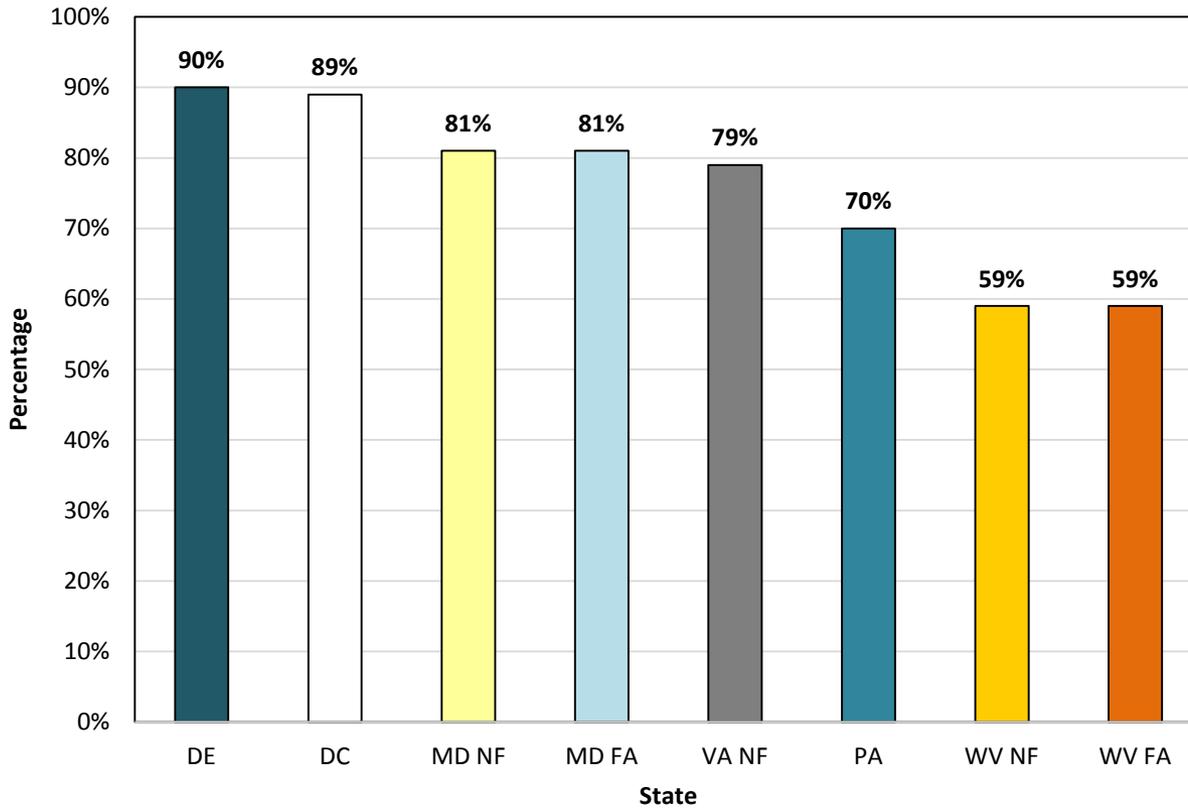
Delaware fees were the highest in the region for the selected otorhinolaryngology (ear, nose, and throat) procedures. Washington, DC fees ranked second; Maryland non-facility fees, Virginia non-facility fees, and Maryland facility fees ranked third (tied); Pennsylvania fees ranked fourth; and West Virginia non-facility and facility fees tied for fifth.

**Figure 21. Cardiovascular Medicine Procedures Weighted Average (%) of Medicare Fees**



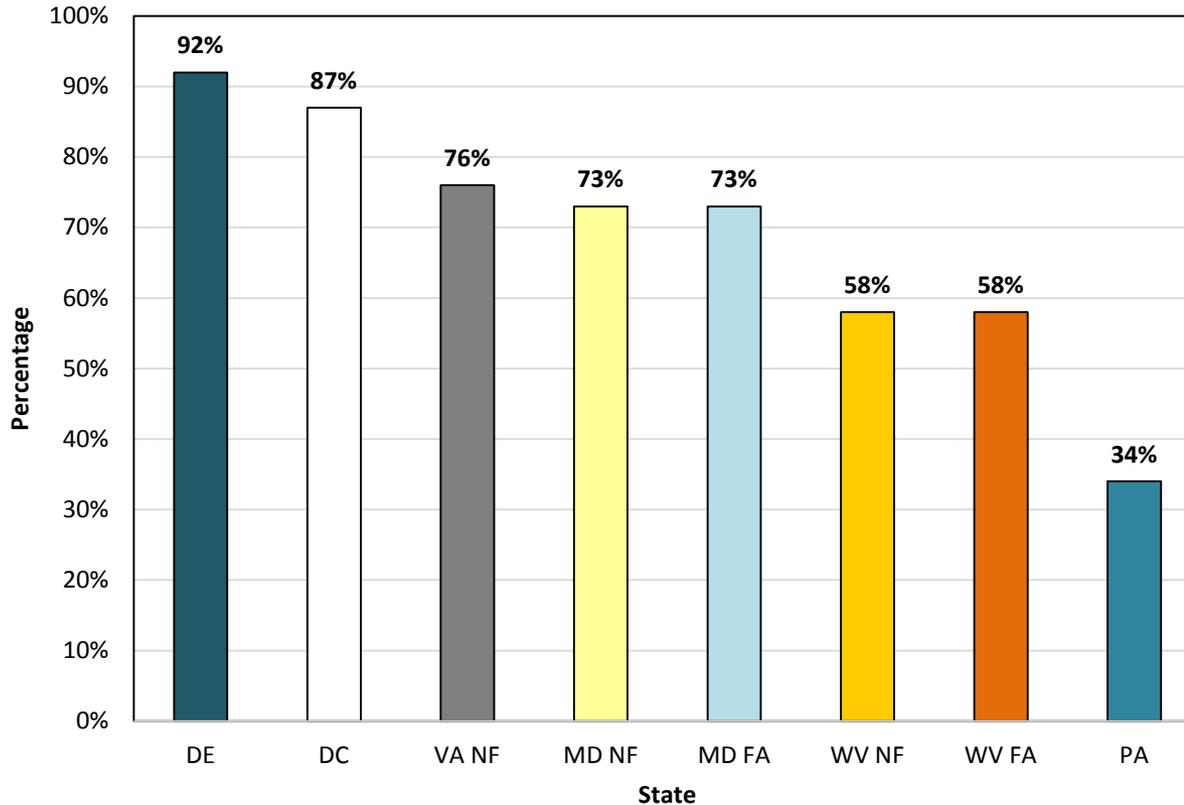
For the selected cardiovascular medicine procedures, Delaware fees ranked first, followed by Washington, DC fees; Maryland non-facility and facility fees (tied); Virginia non-facility fees; Pennsylvania fees; and West Virginia non-facility and facility fees (tied).

**Figure 22. Noninvasive Vascular Tests Weighted Average (%) of Medicare Fees**



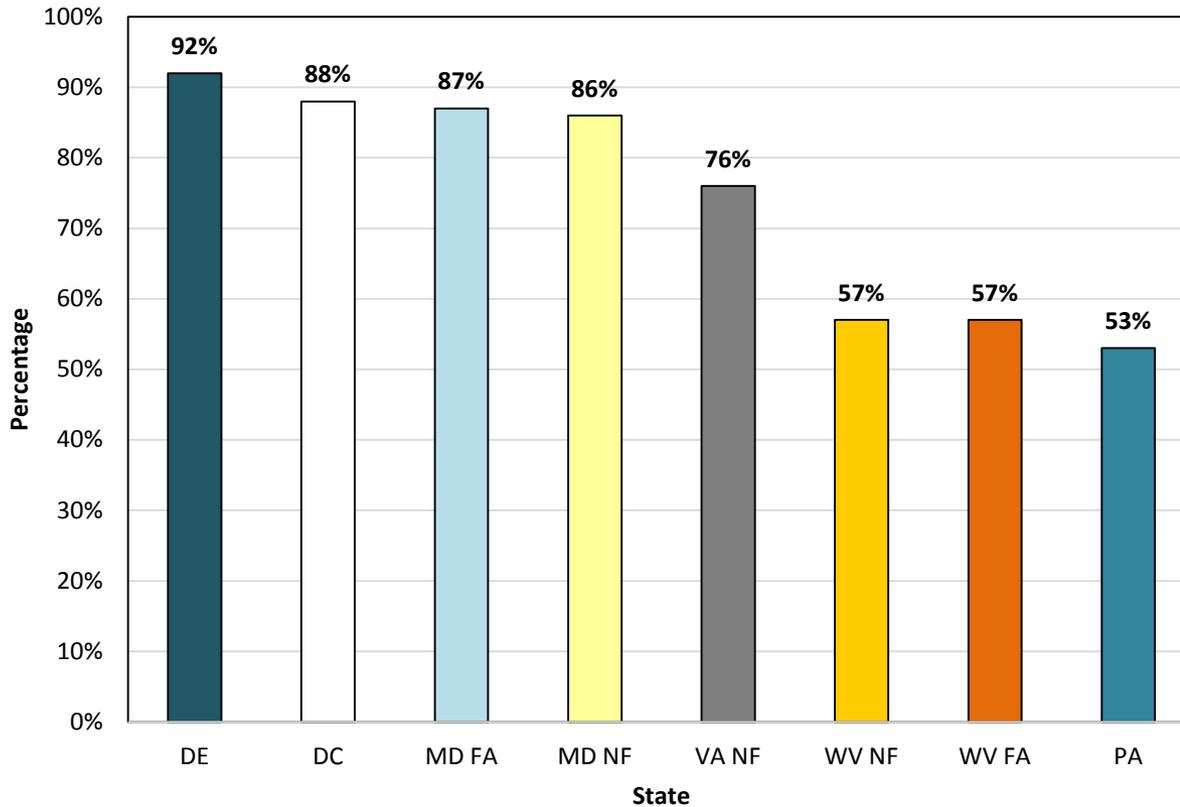
For the selected noninvasive vascular tests, Delaware fees ranked first, followed—in ranking order—by Washington, DC fees; Maryland non-facility and facility fees (tied); Virginia non-facility fees; Pennsylvania fees; and West Virginia non-facility and facility fees (tied).

Figure 23. Pulmonary Weighted Average (%) of Medicare Fees



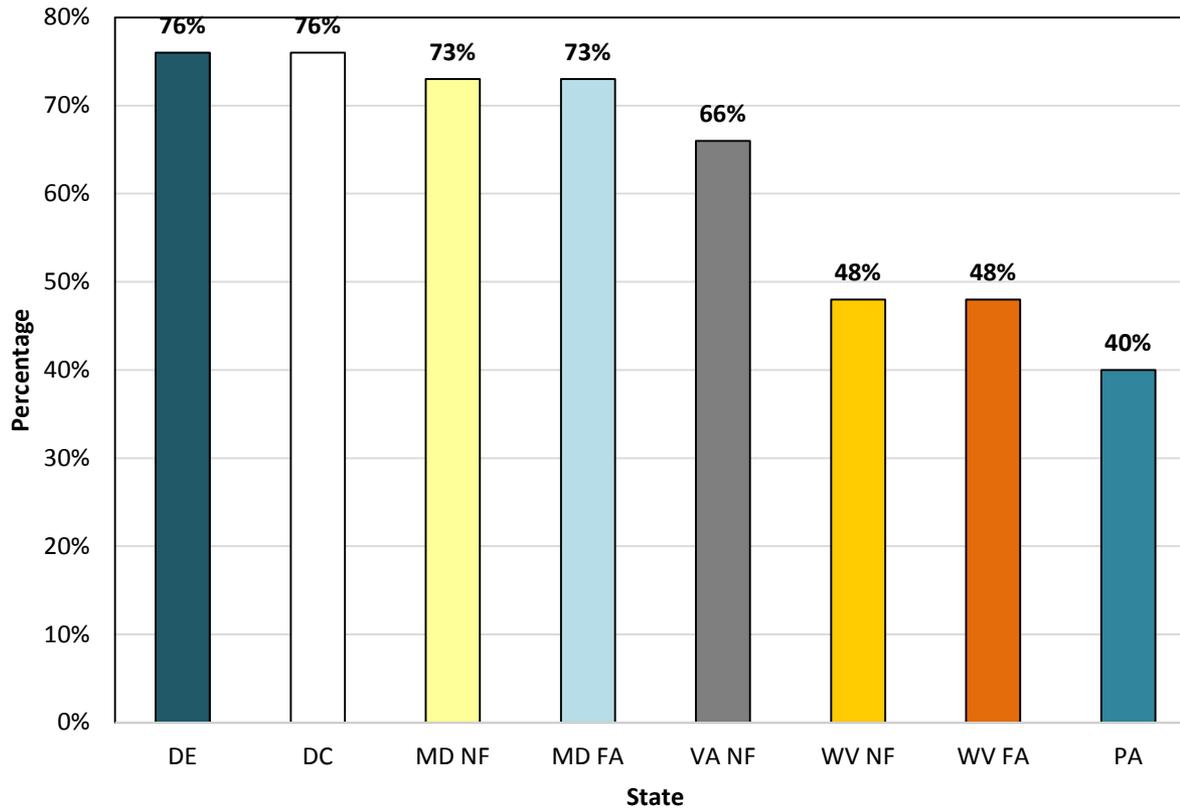
Similar to last year’s report, for the selected pulmonary procedures, Delaware fees ranked first in the region, followed—in ranking order—by Washington, DC fees; Virginia non-facility fees; Maryland non-facility and facility fees (tied); West Virginia non-facility and facility fees (tied); and Pennsylvania fees.

Figure 24. Allergy and Immunology Weighted Average (%) of Medicare Fees



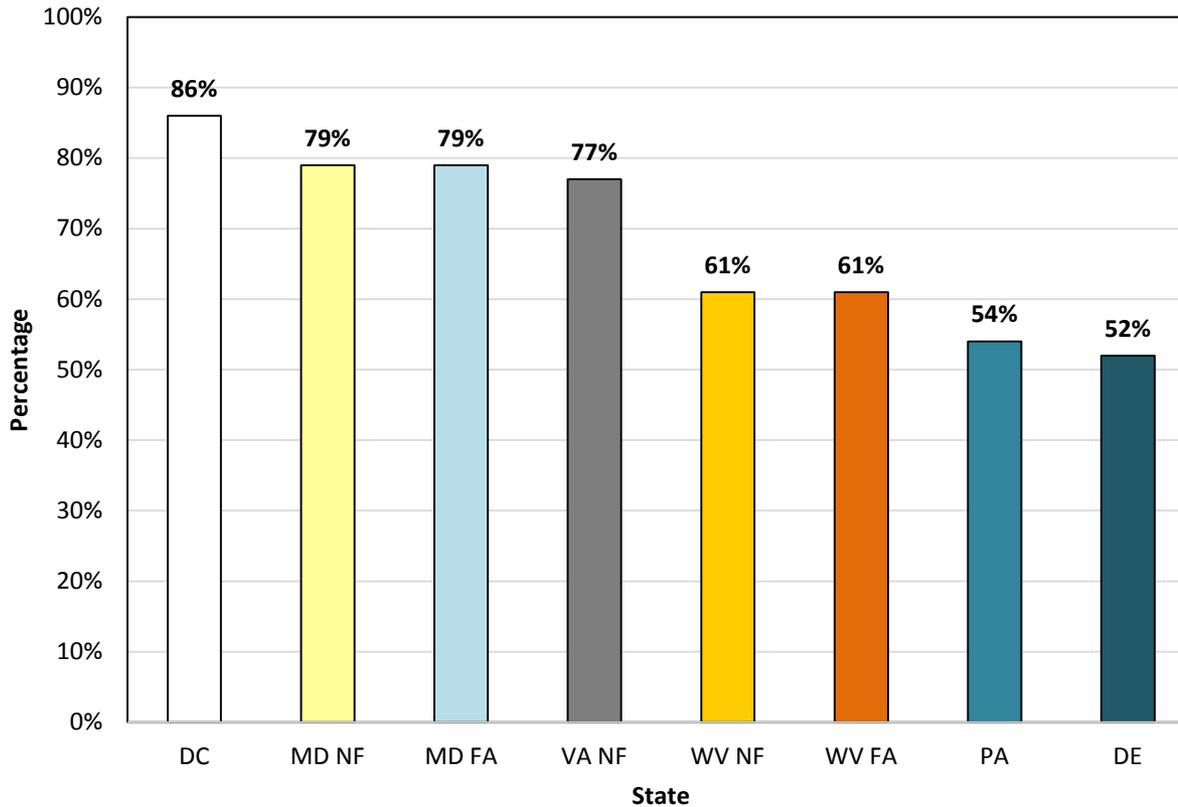
For selected allergy and immunology procedures, Delaware fees ranked first; Washington, DC fees ranked second; Maryland facility fees ranked third; Maryland non-facility fees ranked fourth; Virginia non-facility fees ranked fifth; West Virginia non-facility and facility fees ranked sixth (tied); and Pennsylvania fees ranked seventh.

Figure 25. Neurology and Neuromuscular Weighted Average (%) of Medicare Fees



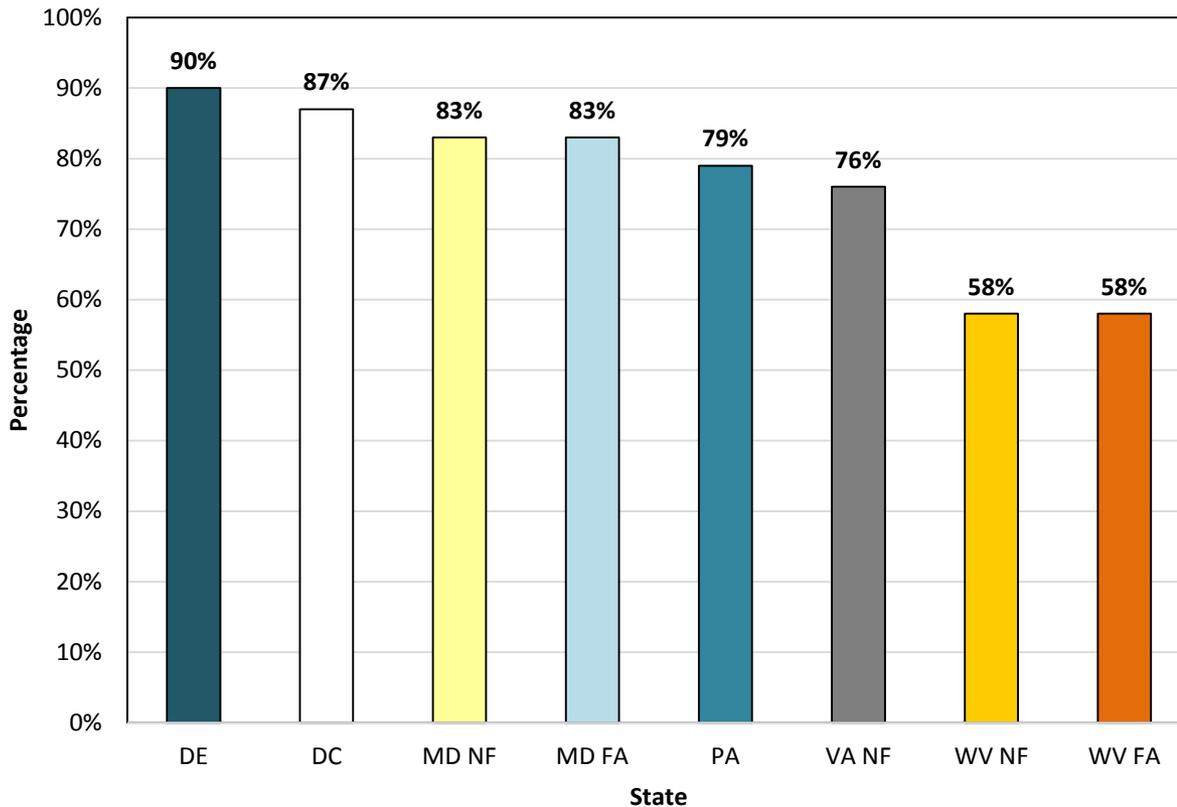
Delaware and Washington, DC fees tied and were the highest in the region for neurology and neuromuscular procedures, followed—in ranking order—by Maryland non-facility and facility fees (tied), Virginia non-facility fees, West Virginia non-facility and facility fees (tied), and Pennsylvania fees.

**Figure 26. Central Nervous System (CNS) Assessment Tests Weighted Average (%) of Medicare Fees**



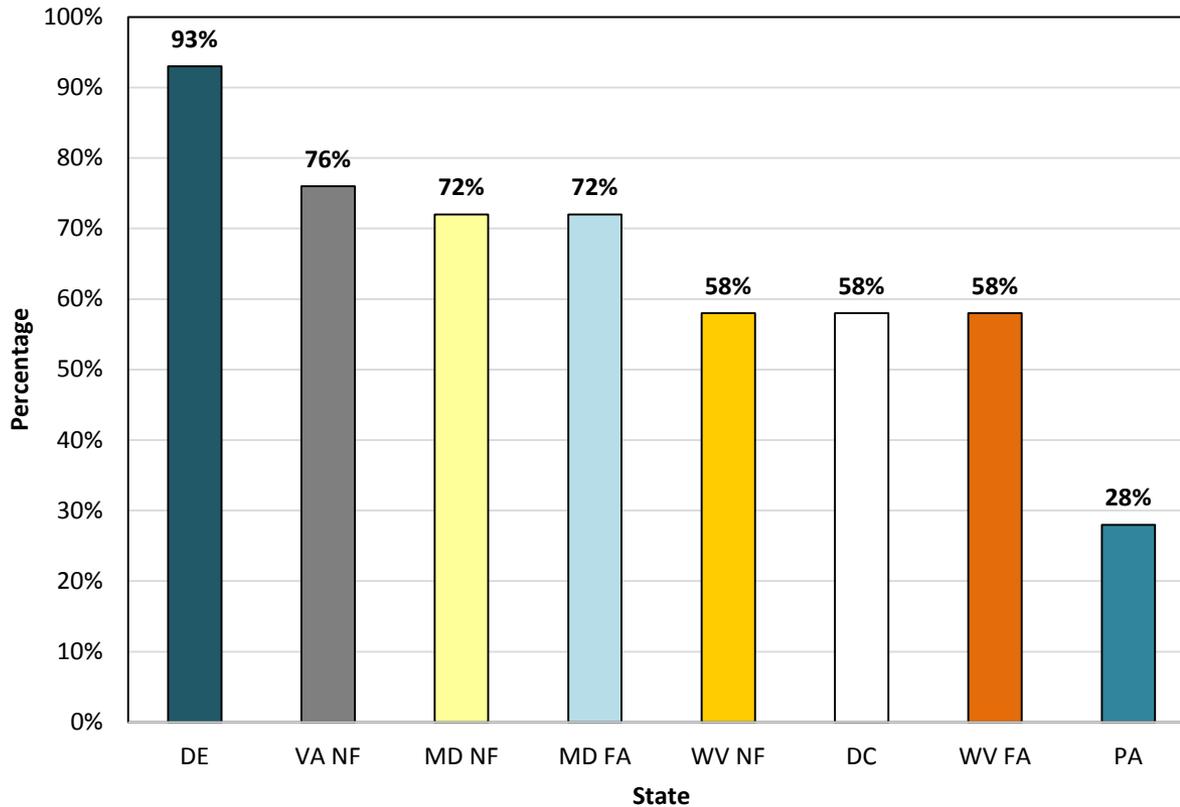
For the selected CNS assessment procedures, Washington, DC fees ranked first; Maryland non-facility and facility fees ranked second (tied); Virginia non-facility fees ranked third; West Virginia non-facility and facility fees ranked fourth (tied); Pennsylvania fees ranked fifth; and Delaware fees ranked sixth.

Figure 27. Chemotherapy Administration Weighted Average (%) of Medicare Fees



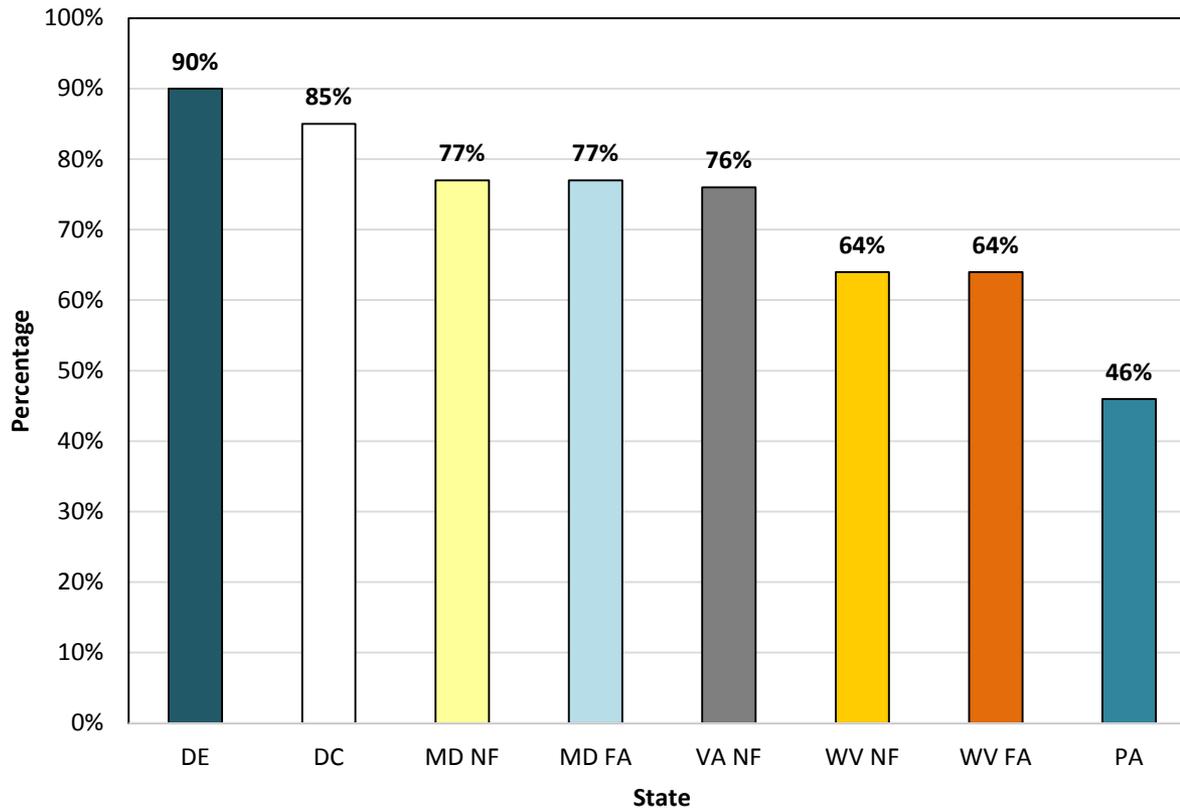
For chemotherapy administration procedures, Delaware fees ranked first, followed by Washington, DC fees (second); Maryland non-facility and facility fees (tied for third); Pennsylvania fees (fourth); Virginia non-facility fees (fifth); and West Virginia non-facility and facility fees (tied for sixth).

**Figure 28. Special Dermatological Weighted Average (%) of Medicare Fees**



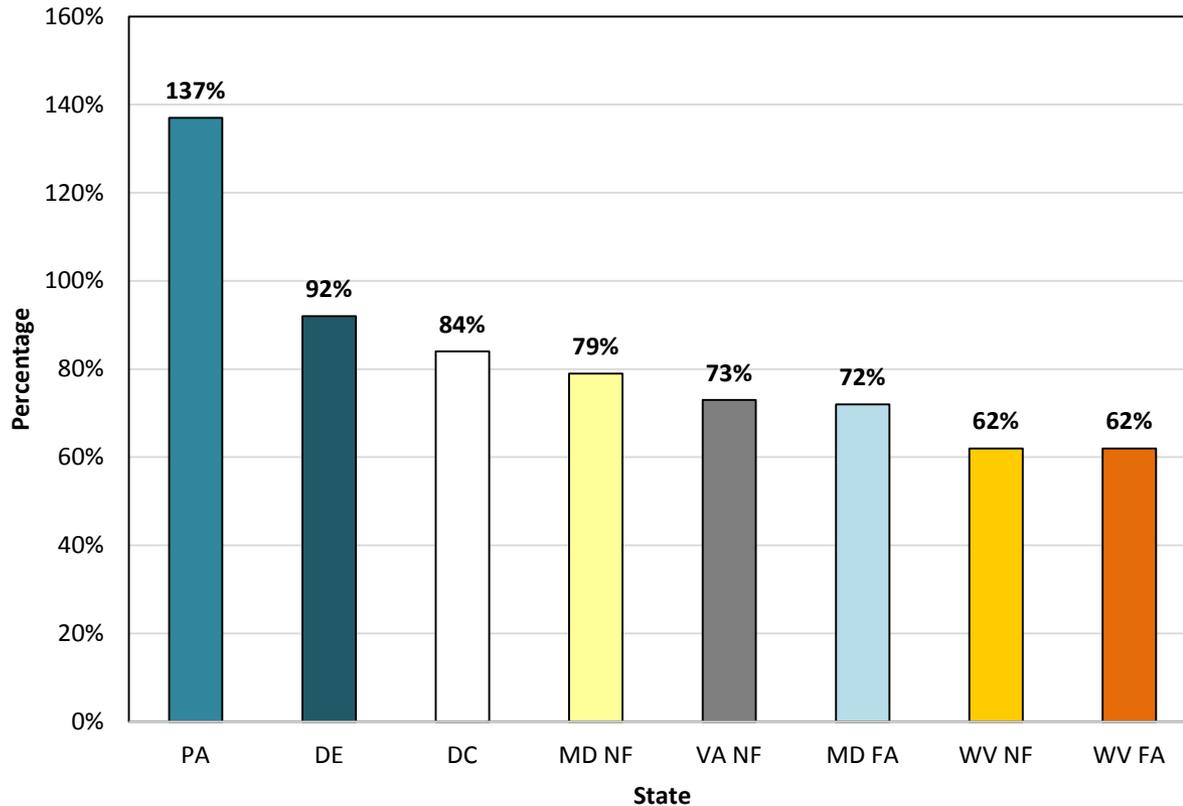
As an average percentage of Medicare fees for the selected dermatology procedures, Delaware had the highest fees. Virginia non-facility fees ranked second; Maryland non-facility and facility fees (tied) ranked third; West Virginia non-facility fees, Washington, DC fees, and West Virginia facility fees (tied) ranked fourth; and Pennsylvania fees ranked fifth.

**Figure 29. Physical Medicine and Rehabilitation Weighted Average (%) of Medicare Fees**



Delaware fees ranked the highest for physical medicine and rehabilitation procedures, followed—in ranking order—by Washington, DC fees; Maryland non-facility and facility fees (tied); Virginia non-facility fees; West Virginia non-facility and facility fees (tied); and Pennsylvania fees.

**Figure 30. Osteopathy, Chiropractic, and Other Medicine Weighted Average (%) of Medicare Fees**



For the selected osteopathy, chiropractic, and other medicine procedures, Pennsylvania fees were highest, followed—in ranking order—by Delaware fees; Washington, DC fees; Maryland non-facility fees; Virginia non-facility fees; Maryland facility fees; and West Virginia non-facility and facility fees (tied).

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