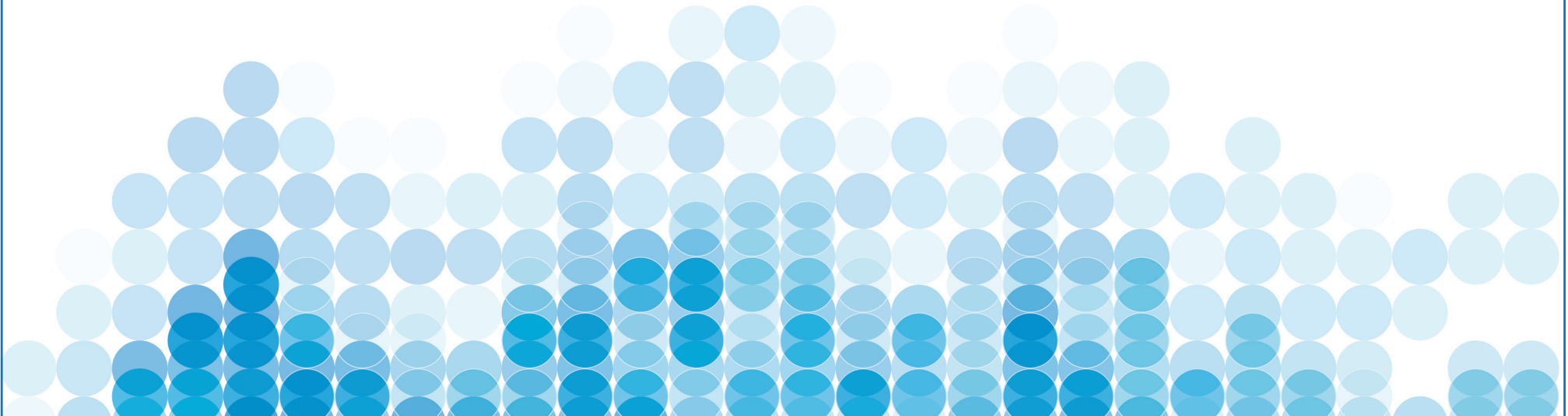# AMA
AMERICAN MEDICAL
ASSOCIATION

HealthIT Vendors
2019 Resources

HealthIT Toolkit for Determining

Users & FAQs

— June 2018 —

User Proxy Model Calculator for data file licensing (CPT®, ICD-10 and HCPCS)
Hospital Setting: Use this page, if your setting is Hospital(s) only or a mix of Hospital(s) and Ambulatory Facilities.

(Method for calculating Users of Clinical EMR, Integrated Ambulatory EMR and Patient Billing System as required by CPT Distribution License.)

VENDOR NAME

PRODUCT NAME(S)

PRODUCT CATEGORIES		
☐ **Clinical EMR** A product installed in a hospital that includes functions for clinical documentation, order entry, clinical data repository, provider order entry, physician clinical documentation, etc.	☐ **Integrated Ambulatory EMR** A product installed in an ambulatory setting that includes functions for clinical documentation, order entry, clinical data repository, provider order entry, physician clinical documentation, etc., **where the product is integrated with a Clinical EMR.**	☐ **Patient Billing System** A product installed in a hospital that automates institutional and professional billing for inpatient and outpatient services and discharged accounts receivable. It may stand alone or integrate with an EMR.

STEP 1:
Identify products

For the three product categories, check all which pertain to the product(s) you are licensing. If the product(s) you are licensing is an EMR used exclusively in Ambulatory Facilities, please refer to the next page.

STEP 2:
Calculate your User subtotal

For each of the product categories you selected in Step 1, multiply your organization's number of Staffed Beds by the factor provided. For those product categories you did not select, enter zero.

_____ x 2 = _____
Staffed Beds*   Subtotal

_____ x 3 = _____
Staffed Beds*   Subtotal

_____ x 1 = _____
Staffed Beds*   Subtotal

*The total facility beds set up and staffed at the end of reporting period

STEP 3:
Calculate your Total User count

Add all subtotals from Step 2 to arrive at your Total User count and record this as the number of Users for the purpose of your License.

TOTAL USERS

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User Proxy Model Calculator for data file licensing (CPT®, ICD-10 and HCPCS)
Ambulatory Setting: Use this page, if your setting is exclusively Ambulatory Facilities.

(Method for calculating Users of Ambulatory EMR and Practice Management as required by CPT Distribution License.)

VENDOR NAME

PRODUCT NAME(S)

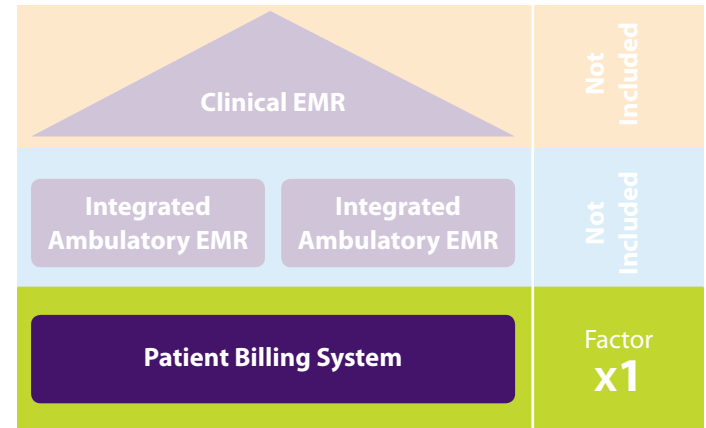|	PRODUCT CATEGORIES		
STEP 1: **Identify product** For the two product categories, check which one pertains to the product you are licensing. If the product you are licensing is an EMR used in a Hospital Setting, please refer to previous page.	☐ **Ambulatory EMR** A product installed in an ambulatory setting/clinic/physician office environment that includes functions for clinical documentation, order entry, clinical data repository, provider order entry, physician clinical documentation, etc. **May stand alone or be integrated with a Practice Management product.**	**OR**	☐ **Practice Management** *(stand alone)* A product installed in an ambulatory setting/clinic/physician office environment that provides the registration, scheduling, and billing functions for a physician office or clinic.
STEP 2: **Calculate your User Count** For the product category you selected in Step 1, multiply your organization's number of Billing Providers (FTE) by the factor provided to arrive at your Total User count and record this as the number of Users for the purpose of your License. For the product category you did not select, enter zero.	_____ **x 4 =** _____ Billing Providers† Total (FTE) †A health care provider who renders medical services for which a fee is charged		_____ **x 1 =** _____ Billing Providers† Total (FTE)

Hospital Setting: AMA User Proxy Model calculation scenarios for each vendor

Scenario 1: Clinical EMR program that is integrated with Patient Billing System in a hospital

Clinical EMR	Factor **x2**
Integrated Ambulatory EMR Integrated Ambulatory EMR	Not Included
Patient Billing System	Factor **x1**
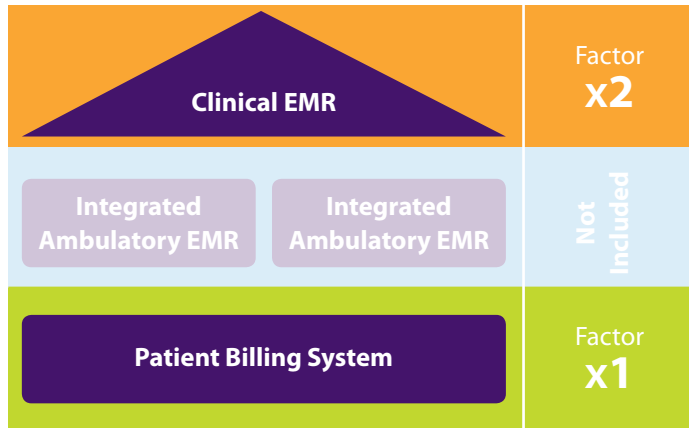
Number of Staffed Beds x (2+1) = Users

Scenario 2: Patient Billing System in a hospital not integrated with an EMR

|	
Clinical EMR	Not Included
Integrated Ambulatory EMR Integrated Ambulatory EMR	Not Included
Patient Billing System	Factor **x1**

Number of Staffed Beds x 1 = Users

Scenario 3: Clinical EMR and Integrated Ambulatory EMR that is integrated with Patient Billing System

Clinical EMR	Factor **x2**
Integrated Ambulatory EMR Integrated Ambulatory EMR	Factor **x3**
Patient Billing System	Factor **x1**
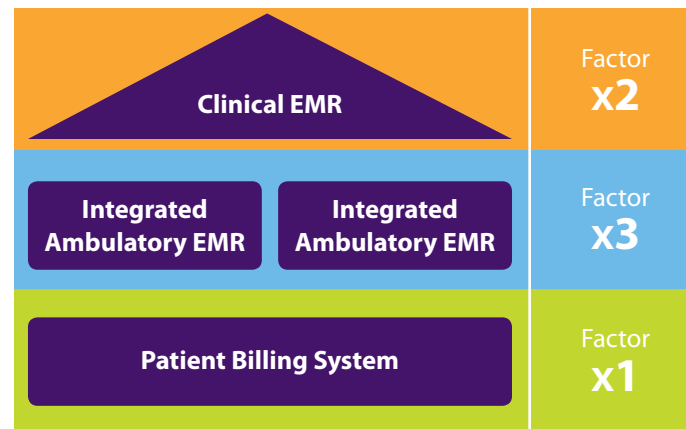
Number of Staffed Beds x (2+3+1) = Users

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Ambulatory Setting: AMA User Proxy Model calculation scenarios for each vendor

Scenario 1: Ambulatory EMR that is not integrated with a Clinical EMR or Practice Management
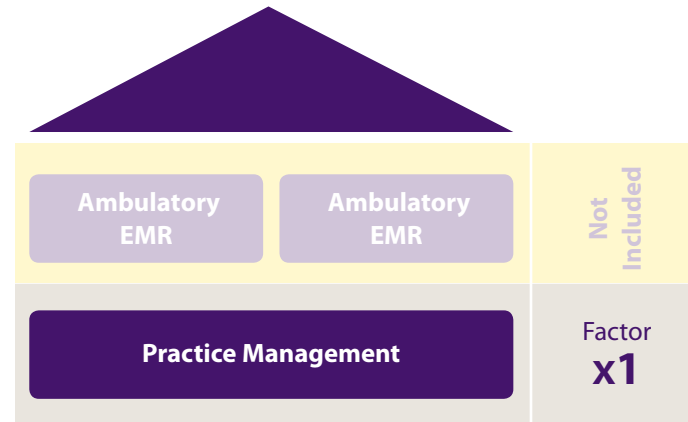
Ambulatory EMR	Ambulatory EMR	Factor **x4**
Practice Management		Not Included
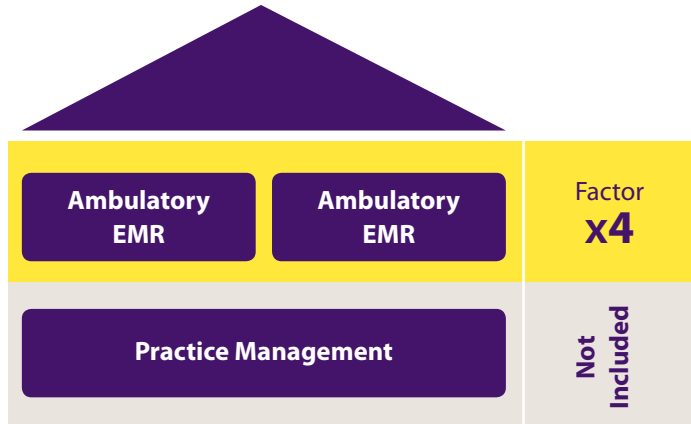
Number of Billing Providers x 4 = Users

Scenario 2: Ambulatory EMR integrated with Practice Management

Ambulatory EMR	Ambulatory EMR	Factor **x4**
Practice Management		
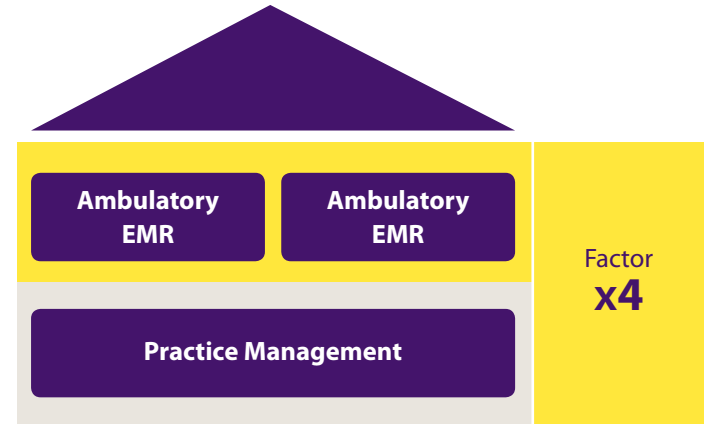
Number of Billing Providers x 4 = Users

Scenario 3: Practice Management (stand alone)

Ambulatory EMR	Ambulatory EMR	Not Included
Practice Management		Factor **x1**

Number of Billing Providers x 1 = Users

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What are the definitions of the terms in the User Proxy Model?

Ambulatory EMR: A product installed in an ambulatory setting/clinic/physician office environment that includes functions for clinical documentation, order entry, clinical data repository, provider order entry, physician clinical documentation, etc. **May stand alone or may be integrated with Practice Management product.**

Ambulatory Facility: A facility that provides health services that do not require an overnight stay.

Billing Provider: A health care provider who renders medical services for which a fee is charged.

Clinical EMR: A product installed in a hospital that includes functions for clinical documentation, order entry, clinical data repository, provider order entry, physician clinical documentation, etc.[1]

Hospital: A facility that provides health services often requiring overnight stays in Staffed Beds.

Integrated Ambulatory EMR: A product installed in an ambulatory setting that includes functions for clinical documentation, order entry, clinical data repository, provider order entry, physician clinical documentation, etc., **where the product is integrated with a Clinical EMR.**[1]

Patient Billing System: A product installed in a hospital that automates institutional and professional billing for inpatient and outpatient services and discharged accounts receivable. It may stand alone or integrate with an EMR.[1]

Practice Management *(stand alone)*: A product installed in an ambulatory setting/clinic/physician office environment that provides the registration, scheduling, and billing functions for a physician office or clinic.

Staffed Beds: The total facility beds set up and staffed at the end of reporting period.

[1]Source – HIMSS Category Definitions

Will the 2019 User Proxy Model apply to all products?

The 2019 User Proxy Model applies to: Clinical EMRs, Integrated Ambulatory EMRs, Patient Billing Systems, Ambulatory EMRs and Practice Management products as defined in the User Proxy Model.

How will Users be determined for programs not covered under the User Proxy Model?

For Licensed Products that are not one of the five product categories defined in the User Proxy Model, User counts will be determined by counting actual Users.

How was the User Proxy Model determined?

To calculate Users of EMRs and Patient Billing Systems within clinical settings, the AMA reviewed and researched the number of full time employees/equivalents (FTEs) needed to administer those systems for each Staffed Bed. Based on health industry data and customer feedback, the AMA conservatively estimated the number of Users per Staffed Bed for Clinical EMRs, Integrated Ambulatory EMRs and Patient Billing Systems. In Ambulatory Settings, nearly all employees use EMR programs containing CPT® data files. The Ambulatory EMR User proxy of 4 Users per Billing Provider and Practice Management (stand alone) User Proxy of 1 User per Billing Provider was based on research of health industry data pertaining to the ratio of Billing Providers to support staff, which ranges significantly across practices (from as low as over 3 full time supporting staff members to over 7 supporting staff per full time equivalent Billing Provider). When Practice Management Systems are not integrated with an Ambulatory EMR, our research indicates staff equivalent to one FTE are required to support the system.

What will be the CPT ® royalties for 2019?

Please refer to the 2019 CPT® Royalty Rate Schedule, which will be distributed in June 2018.

If my CPT® Distribution License Agreement permits me to sublicense my Licensed Product(s) to other Distributors, must I require these Distributors to apply the User Proxy Model to their customers (End Users as defined in the CPT® Distribution License Agreement)?

Yes, distributors are responsible for implementing the User Proxy Model with any licensed Resale Distributors and Content Added Distributors for their End Users, as defined in the CPT® Distribution License Agreement, and must accurately report customers' and associated data and pay royalties in accordance with the User Proxy Model.

If I already have a method in place to keep track of Users, do I have to use the User Proxy Model in lieu of my current system?

The standard for calculating CPT® Users of the five product categories defined in the User Proxy Model is the User Proxy Model. The AMA will consider alternative methods for licensed distributors with well-defined systems for counting Users, but will utilize the User Proxy Model to validate that the User counts from both methods are consistent. Such alternative User calculation methods must be approved by the AMA and incorporated into the CPT® Distribution License Agreement.

We are constantly gaining new customers (End Users) and our customers are adding individual Users throughout the year. How do we report royalties for these individual Users under the User Proxy Model?

Royalties due under the CPT ®Distribution License Agreement are not prorated. New Users of your Electronic Licensed Product(s) are to be reported and all corresponding royalties are to be paid using the specified royalty rate per User when your next royalty report is due under your CPT® Distribution License Agreement.

What if the User Proxy Model calculates more CPT® Users than there are full time employees in my organization?

In rare instances, an alternative methodology will be considered in these cases. Please contact your AMA Representative.

What is the value of the User Proxy Model to me as a distributor?

The User Proxy Model was created as a result of industry research by the AMA and feedback we received from distributors who were having a difficult time determining User counts for their customer End Users. The User Proxy Model should ease the reporting of Users by you and your customers and assist in your compliance, and your customers' compliance, with the CPT® Distribution License Agreement.

How should part-time Billing Providers such as visiting physicians be calculated?

If the appropriate licensing model for your Licensed Product is an Ambulatory EMR or a Practice Management product, the number of Billing Providers that should be input into the User Proxy Model calculation will be the number of full-time equivalent (FTE) Billing Providers. If the vendor has a current method of determining FTE Billing Providers, AMA will accept that count. Otherwise, the number of Billing Providers should be calculated by adding the total number of hours worked by all Billing Providers in an average week and divide the total by 40. This would mean a physician working only 1 day per week would be 1/5 of an FTE.

What is the difference between "Integrated Ambulatory EMR" and "Ambulatory EMR?"

The product category "Integrated Ambulatory EMR" refers to scenarios where the product is integrated with a Clinical EMR within a hospital system. In contrast, the product category "Ambulatory EMR" refers to scenarios where the product may stand alone or may be integrated Product Management products.

Increase in fees paid to the AMA for CPT data file licenses

- It is important to recognize that the royalty rate for CPT® will be increased at a similar rate as it has been historically on an annual basis, with the exception of 2017 where there was no increase. These increases in the past have been less than 4% each year.

- The AMA is not increasing its royalty fees differently than the past. AMA is introducing a simpler, more efficient and consistent manner in calculating Users with the User Proxy Model.

Determining the User count for Licensed Products not covered under the User Proxy Model

- User counts for Licensed Products outside of the User Proxy Model are determined by counting actual Users as defined in the CPT® Distribution License agreement.

- This includes individuals who directly access, use or manipulate CPT codes, but also includes any staff producing, enabling or making use of outputs dependent on CPT codes, even though the CPT codes may not be visible or directly accessible.

- Other pricing models may be introduced to address specific product types, but at this point those Licensed Products not covered under the User Proxy Model are to be determined by counting actual Users.

Challenges on who actually is a User

- The AMA's definition of a "User" actually goes well beyond the direct or physical access of the codes. Let's refer back to the User definition provided. As you can see, parts 2 and 3 of the definition of Users do not directly or physically access any actual CPT codes.

- Doctors, nurses, therapists, and other ancillary employees all require a license. The User Proxy Model calculations provide a standardized method to calculate Users. As an example, a deployment of an EMR that is also a Patient Billing System should use the User Proxy Model to account for those Users in the clinical space as well as administrative Users.

Questions about use of CPT in a Hospital Setting

- Patients who enter a health system through an ambulatory or outpatient encounter frequently convert to an inpatient. Once they become an inpatient, the clinical team is often reviewing the history of that ambulatory/outpatient encounter, which includes use of CPT coding.

- Hospitals perform many outpatient procedures and therefore utilize CPT codes for billing.

Is every staff member considered a User in a Hospital Setting

Not all staff are necessarily Users of CPT codes but, with a top-to-bottom EMR deployment, it helps to consider everyone in the care continuum performing activities related to procedures. For example, a patient who is admitted to the ICU who came in through the emergency department will have records as an outpatient and these records will continuously be reviewed by the clinicians who care for that patient during their inpatient stay. Therefore, our User Proxy Model provides for a very conservative way to approximate, minimally the number of CPT Users throughout your facility for the EMR application.

Is every staff member considered a User in an Ambulatory Setting

In most instances, the majority of the practice staff are considered Users of CPT. For example, the receptionist who schedules an appointment for a procedure is likely utilizing the CPT code content.

Using only a small subset of the codes (typically a specialty practice)

The CPT code sets are licensed in their entirety. The mechanism for licensing is on a per User basis per Licensed Product basis, not the number of codes used.

Partial year deployment of EMR – want fees prorated

The AMA does not prorate royalties for use of the CPT codes as they are content not a software system or application. The royalties represent use of content, similar to a book. You may buy the book and read it once or only a few chapters, but you pay for the entire book. A software system or application serves as a function and is often paid for based on usage.