

(iii) A numeric factor representing a conversion modifier used to adjust reimbursement.

(4) To prevent overpayment of claims for surgery or services, in developing the payment system under this section, the Commission, to the extent practicable, shall establish standards to prohibit the unbundling of codes and the use of reimbursement maximization programs, commonly known as "upcoding".

(5) In developing the payment system under this section, the Commission shall consider the underlying methodology used in the resource based relative value scale established under 42 U.S.C. § 1395w-4.

(6) The Commission and the licensing boards shall develop, by regulation, appropriate sanctions, including, where appropriate, notification to the Insurance Fraud Unit of the State, for health care practitioners who violate the standards established by the Commission to prohibit unbundling and upcoding.

(c) (1) In establishing a payment system under this section, the Commission shall take into consideration the factors listed in this subsection.

(2) In making a determination under subsection (b)(3)(i) of this section concerning the resources of a health care practitioner necessary to deliver health care services, the Commission:

(i) Shall ensure that the compensation for health care services is reasonably related to the cost of providing the health care service; and

(ii) Shall consider:

1. The cost of professional liability insurance;
2. The cost of complying with all federal, State, and local regulatory requirements;
3. The reasonable cost of bad debt and charity care;
4. The differences in experience or expertise among health care practitioners, including recognition of relative preeminence in the practitioner's field or specialty and the cost of education and continuing professional education;
5. The geographic variations in practice costs;
6. The reasonable staff and office expenses deemed necessary by the Commission to deliver health care services;
7. The costs associated with a faculty practice plan affiliated with a teaching hospital; and
8. Any other factors deemed appropriate by the Commission.

(3) In making a determination under subsection (b)(3)(ii) of this section concerning the value of a health care service relative to other health care services, the Commission shall consider: