

How Physicians Get Paid:

It's as Easy as: CMS, RVUs,
ICD-9, and CPT

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Goals

- Define the Acronyms CMS, RVU, ICD-9, and CPT
- Define The Components of Submitting a Medical Bill
- Define How a Medical Bill Turns into A Paycheck for A Physician



Your First Patient as an Attending

- Mrs. S is a 68 y/o female on Medicare who presents to your clinic as a new patient with a fever and sore throat. You perform a history and physical exam, perform a rapid strep test, and diagnose her with viral pharyngitis. You recommend supportive measures and Robitussin-DM.



How do you get paid for seeing Mrs. S?

- To get paid, you must bill for services



HOWA
STUDENT

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HOWA
STUDENT

What Services Did You Provide?

HOWA
STUDENT

What Work (Services) Did You Provide?

- 3 Main Components to All Office Visits
- Provider (Physician/APN/PA) Visit
 - History/Physical/Medical Decision Making
 - Physician Performed Procedures
- Testing/ Non-Physician Performed Procedures (Immunizations, Etc.)
- Office Work (Nurse/Front Desk)



Physician Services



What Services Did You Provide?

Your doctor-patient encounter, and all tests and procedures you perform on the patient are considered "Procedures"

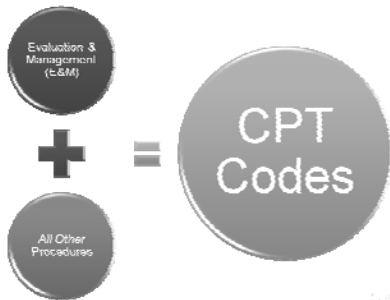
Each "Procedure" has a defined Code Number called a "CPT Code"



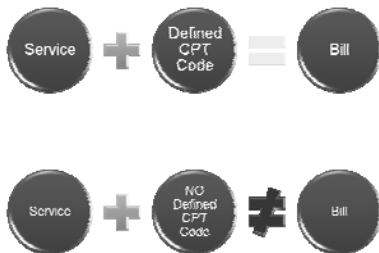
CPT Codes

- Current Procedural Terminology (CPT) ®
 - Owned by the American Medical Association (AMA)
 - Defined Codes for all Provider Visits
 - Evaluation and Management Codes (E&M)
 - Office Visits
 - Hospital Visits
 - Home Visits
 - Nursing Home/Facility Visits
 - "Cognitive Work"
 - Defined Codes for All Procedures
 - Surgeries/Deliveries
 - Office Procedures
 - Tests (EKGs, Rapid Strep, Labs, Immunizations, Etc.)





You Must Have CPT Codes to Get Paid



CPT Codes

- For Mrs. S' Visit
 - CPT Code for the Physician Visit
 - CPT Code for the Nursing Work
 - CPT Code for the Procedure: Rapid Strep Test



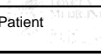
Evaluation and Management (E&M) CPT (Outpatient) Codes

E&M CPT Code	Description
99201	Problem Focused
99202	Expanded Problem Focused
99203	Detailed
99204	Comprehensive
99205	Comprehensive

New Patient

E&M CPT Code	Description
99211	Nurse Visit
99212	Problem Focused
99213	Expanded Problem Focused
99214	Detailed
99215	Comprehensive

Established Patient



E&M

Physician Visit (Inpatient/Outpatient/Home or NH)



Example E&M 99213

IV. History Type: Expanded Problem Focused

A. Criteria

1. Establish chief complaint
2. Brief history of present illness (HPI)
 - a. Include 1-3 characteristics (see Encounter History)
3. Problem pertinent review of systems (ROS)
 - a. Includes 1 system (see Encounter History)

II. Examination Type: Expanded Problem Focused

A. Criteria

1. Affected body area or organ system
2. Other symptomatic or related organ systems

II. Decision Making Type: Low Complexity

A. Criteria

1. Limited number of diagnoses or management options
2. Limited amount or complexity of data to be reviewed
3. Low risk of complications, morbidity, mortality

From www.fpnotebook.com



Importance of Documentation




Physician Coding Abuse?

- In 1990's:
 - Requirement for Documentation to Support use of CPT Codes Billed
 - Requirement to Link CPT Codes to Diagnoses
 - Some CPT Codes Paid by Payors for Certain Diagnosis Codes and Not Others




Diagnosis Codes



ICD-9 Codes

- Must Explain WHY You are Coding a CPT
 - All CPTs Must be Linked to a Diagnosis


 - International Classification of Diseases – 9th ed. (ICD-9)
 - Owned by the World Health Organization
 - All the Diagnosis Codes are ICD-9 Codes
 - i.e.: Pharyngitis = 462

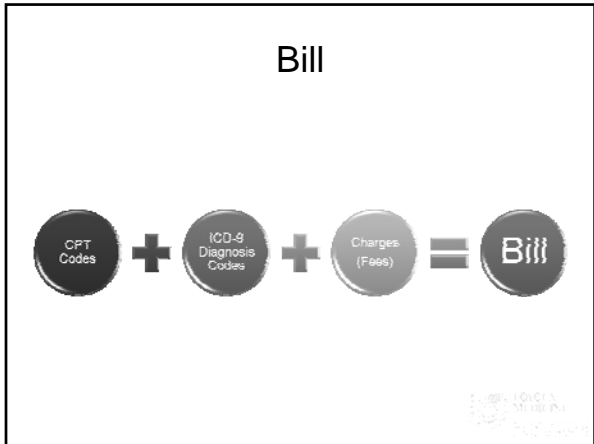


Mrs. S' Visit

- Physician Visit – CPT 99202
- Nursing Work – CPT – (Office)
- Rapid Strep – CPT 87880

- All Linked to ICD-9 Code 462 (Pharyngitis)





Definitions

- **Medical Coding:**
- "Medical coding is a process in which descriptions of billable medical procedures from doctors and nurses taken in reports and notes are transformed into a medical code, used universally by billing and insurance departments."
- **Medical Billing:**
- "Medical billing takes the codes from the medical coding department and organizes the information, figures out the financial costs for each code and then places them on a bill for the patient and insurance companies."

• Definitions from Calissa Hatton, www.ehow.com

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What Happens When You Send In That Bill?

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What Happens When You Send in That Bill?

- Resource Based Relative Value System (RBRVS)
 - Developed in 1980 by Harvard School of Public Health
 - Set by the Centers for Medicare and Medicaid Services (CMS)
 - Assign a Number “Value” to Each CPT Code
 - “Values” Vary Based on CMS Priorities
 - “Values” are Called Relative Value Units (RVUs)





- <http://www.cms.gov/>
- CMS Defines Relative Value Units for Each CPT Code



Relative Value Unit (RVU)

A real number assigned to the work of a physician.



Each CPT Assigned an RVU

- Physician Component (Work RVU)
- Office/Facility Component
- Malpractice Component

		Physician	Non Facility	Facility	Malpractice	Non Facility*	Facility*
CPT Code	Descriptor	Work RVU	RVU	RVU	RVU	Total RVU	Total RVU
99202	Office Visit, New Pt	0.88	0.80	0.31	0.05	1.73	1.24

* "Facility" = Hospital or ASC, "Non-Facility" = Clinical Office

Payments

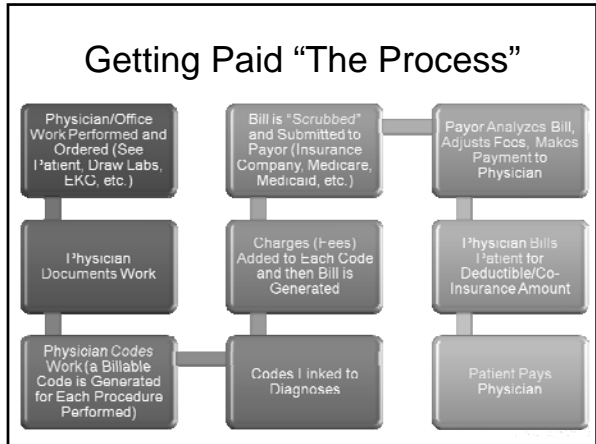
- Medicare Pays \$36.8729 per RVU
 - 1.73 RVUs X 36.8729 = \$63.790117
 - Rapid Step (CPT 87880) = \$16.01
- Total Payment From Medicare = \$79.80

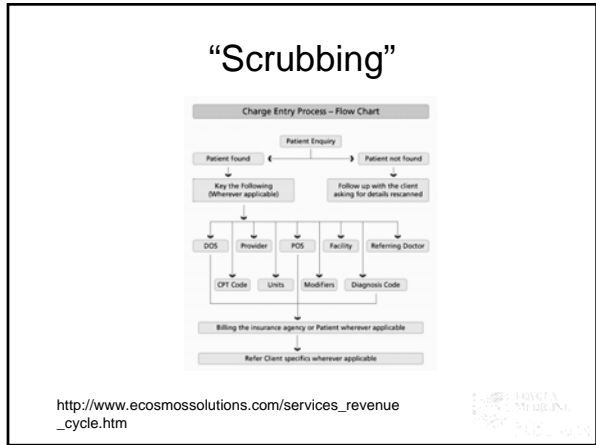


Payments

- Medicare Pays \$36.8729/RVU
- Private Insurance is Different
 - \$55/RVU for Evaluation and Management CPTs (Office Visits)
 - \$70/RVU for Procedures







- ### REVIEW
- What is:
 - CPT
 - E&M
 - ICD-9
 - RBRVS
 - RVU
 - CMS

Questions?

- (If time, will review some bonus slides next)



Bonus Slides



E&M CPT Codes

- Documentation Requirements
- Charts are Audited by CMS
- Huge Fines for “Overbilling” (Usually Underdocumentation)



E&M CPT Codes - Documentation

- The reason for the encounter and relevant history, physical exam findings and prior diagnostic test results
- Assessment, clinical impression or diagnosis
- Plan of care
- Date and legible identity of the observer
- If not documented, the rationale for ordering diagnostic and other ancillary services should be easily inferred.
- Appropriate health risk factors should be identified
- The patient's progress, response to and changes in treatment, and revision of diagnosis
- The CPT and ICD-9-CM codes reported on the health insurance claim form or billing statement should be supported by the documentation in the record.



E&M CPT Codes - Documentation

- Legible
- Signed



E&M CPT Codes - Documentation

- 3 Main Documentation Components
- History
- Physical
- Medical Decision Making



E&M CPT Code - History

- CC
- HPI
- Past/Family/Social Hx
- ROS

(Allergies and Medications are Expected For All Patient Visits)



E&M CPT Code – Physical Exam

- Elements from Organ Systems
- Vitals + General = 1 Point
- Inspection, Auscultation, Palpation Each 1 Point

- i.e.: Card: Non-active precordium, NI PMI, RRR NI S1, S2, no S3,S4 or murmur



E&M CPT Code – Medical Decision Making

- 4 Levels
 - Straightforward
 - Low Complexity
 - Moderate Complexity
 - High Complexity



E&M CPT Coding Documentation

- 3 Required Documentation Elements
 - History
 - Physical
 - Medical Decision Making
- Levels of Documentation Within Each Required Element
 - Problem Focused (2)
 - Expanded Problem Focused (3)
 - Detailed (4)
 - Comprehensive (5)

E&M CPT Coding Documentation

- 3 of 3 for New Patients (Or Lowest Level)
- 2 of 3 for Established Patients or Middle Level

	Problem Focused	Expanded PF	Detailed	Comprehensive
History		X		
Physical			X	
Medical Decision Making			X	

Evaluation and Management (E&M) CPT Codes

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New Patient

E&M CPT Code	Description
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99212	Problem Focused
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99215	Comprehensive

Established Patient

Modifiers

- What Happens if You Have More Than 1 CPT Code?

Mr. G is a 54 y/o male who sees you for hypertension. You adjust his medication, and "Oh by the way, can you remove my skin tags?" You the Decide to Freeze His 6 Skin Tags.



Modifiers

- What Work Did You Do?
- E&M CPT 99213
- Cryodestruction of Skin Tags
 - CPT 11200 (Removal Skin Tags 1-15)



Modifiers

- When You Bill More than 1 CPT Code, Payers will Reduce Payment for Secondary CPT Codes
- Bill the Highest RVU CPT Code First!!
- The Secondary E&M Code Needs a Modifier



Modifiers

- - 25 = Separate Identifiable Evaluation and Management Service Provided on the Same Day as a Procedure (This Means ANY Procedure Including Immunizations, Nebulizer Treatment, etc.)
- - 51 = Multiple Procedures Performed on The Same Patient on the Same Day, by the Same Provider
- - 50 = Bilateral Procedure



Examples - 25

Mr. G is a 54 y/o male who sees you for hypertension. You adjust his medication, and "Oh by the way, can you remove my skin tags?" You the Decide to Freeze His 6 Skin Tags.

Bill:

Primary CPT 11200 (Skin Tag Cryo) Link: ICD-9 701.5 (Skin Tag)

Secondary 99213 (E&M) – 25 Link: 701.5 (Skin Tag), 401.1 (HTN)



Examples - 51

Mr. G is a 54 y/o male who sees you for hypertension. You adjust his medication, and "Oh by the way, can you remove my skin tags and inject my knee?" You the Decide to Freeze His 6 Skin Tags and inject his knee.

• Bill:

– 20610 (Knee Injection) Link: 715.36 (Knee OA)

– 11200 – 51 (Skin tag removal) Link: 701.5 (Skin Tag)

– 99213 – 25 (E&M Office Visit) Link: 401.1, 701.5, 715.36



Examples 50

Mr. G is a 54 y/o male who sees you for hypertension. You adjust his medication, and "Oh by the way, can you inject both of my knees?" You the Decide to Inject Both of His Knees.

Bill:

- 20610 - 50 (Knee Injection - bilateral) Link: 715.36 (Knee OA)
- 99213 - 25 (E&M Office Visit) Link: 401.1,715.36 (HTN, Knee OA)

Bill By Time

- Medicare Has Time Recommendations and Can Audit Your Schedule
- Must Document Time Spent with Patient and that >50 was Counseling

i.e.:

"Time in 1:20, Time out 1:45
I spent >50% of our visit time in counseling as outlined in the A&P above"

Evaluation and Management (E&M) CPT Codes – Bill By Time

E&M CPT Code	Description
99201	Problem Focused 10 min
99202	Expanded Problem Focused 20 min
99203	Detailed 30 min
99204	Comprehensive 45 min
99205	Comprehensive 60 min

New Patient

E&M CPT Code	Description
99211	Nurse Visit 5 min
99212	Problem Focused 10 min
99213	Expanded Problem Focused 15 min
99214	Detailed 25 min
99215	Comprehensive 40 min

Established Patient

Advanced Coding

- “Q” Codes – Invented by CMS and Only Apply To Medicare Patients
- Preventive Medicine Codes 9939X
- Consultation Versus New Patient
- Inpatient Coding
- Prenatal Care/Delivery/Postnatal Care



Summary

- You’ll Spend a Lifetime Learning This
 - CPT
 - E&M
 - ICD-9
 - RBRVS
 - RVU
 - CMS
 - Modifiers 25,50,51



Resources

- CMS
 - http://www.cms.hhs.gov/MLNProducts/20_Doctrine.asp#TopOfPage
- Family Practice Management
 - <http://www.aafp.org/online/en/home/publications/journals/fpm.html>