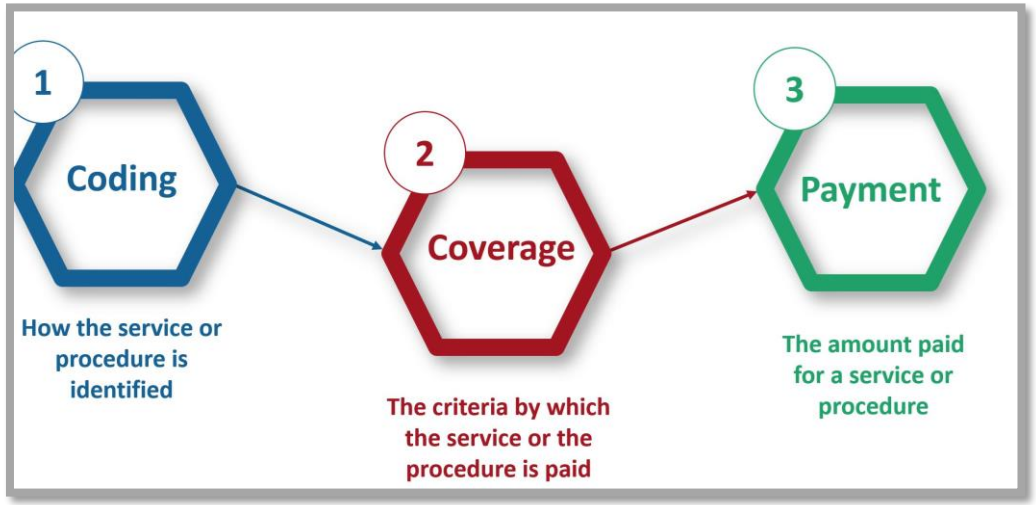
The Business of Medicine: Hospital-Based, Academic, Private Practice – Learning How to Succeed

ICD-10 and Beyond: Coding for Success to Maximize Reimbursement

AOSSM-AANA Combined 2021 Annual Meeting



Hussein Elkousy, MD

Justin Khoriaty, MD

Emily Vidal, BS

Mitzi Laughlin, PhD

July 9, 2021

Fondren Orthopedic Group

FORI – Fondren Orthopedic Group Research Institute

TERFSES – Texas Education and Research Foundation for Shoulder and Elbow Surgery

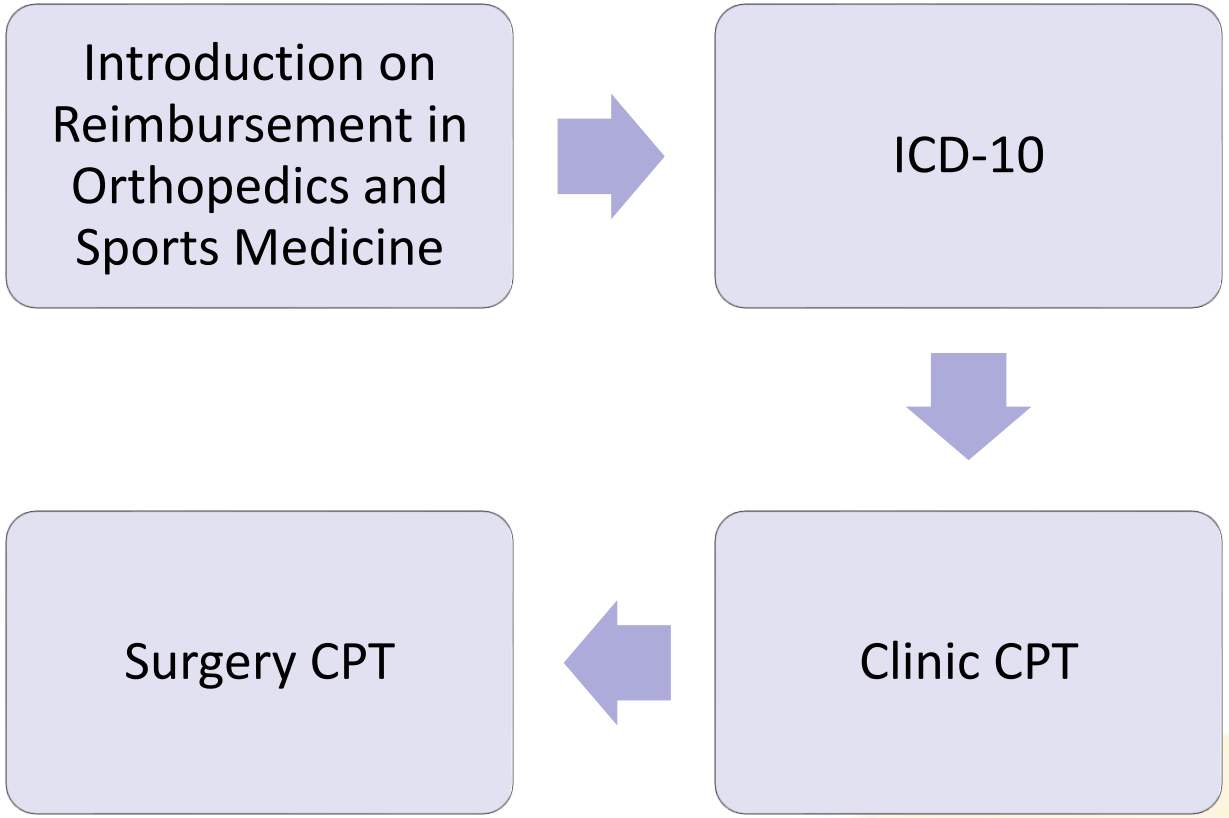
FORI | FONDREN ORTHOPEDIC RESEARCH INSTITUTE

TERFSES

Disclosures

- No financial disclosures
- Committee disclosures:
  - AAOS CCRC Committee member
  - AAOS RUC Alternate Advisor
- The content of this talk is my personal view and does not reflect the views of any committee or society.

Outline


Introduction on Reimbursement in Orthopedics and Sports Medicine
ICD-10
Clinic CPT
Surgery CPT

Reimbursement/Collections

- **Reimbursement**
  - The action of payment or repayment of money that has been spent
  - In medicine, we provide a service that costs us money (staff, infrastructure, IT, insurance, facility, time, products, etc.)
  - Reimbursement is receiving money to cover those expenses and services
  - Sources of payment are third party payors and patients

Source: https://www.peoplekeep.com/blog/healthcare-reimbursement-plan-hrp

REVENUE

Reimbursement – Patient Care

Provider Direct Services:

- Clinic visits
- Procedures

Ancillary Services:

- Physical therapy
- DME
- ASC – Ambulatory Surgery Center
- POH – Physician-owned Hospital
- Other: Shared physician extenders, Urgent Care, Radiology, etc.

•Other:

- IME – Independent Medical Examination
- Medicolegal
- Consulting
- Directorship/Leadership positions

Income

1. Major component as the cost of maintaining a practice increases (EMR, IT, marketing, staff salaries).
2. **Significant amount of work now required to receive reimbursement.**
   - Precertification, appeals, and documentation

What is this talk about?

Reimbursement for provider direct services:

- Clinic Visits
- Procedures

How knowledge of ICD-10 and CPT can result in potentially more efficient reimbursement.

How is reimbursement determined?

- **RBRVS system (Resource-Based Relative Value Scale)**
  - Developed by CMS in 1992
  - RUC (Relative value scale Update Committee) - AMA
    - Provides recommendations to CMS
  - Total RVU (Relative Value Unit)
    - Physician work
    - Practice expense
    - Malpractice expense
- **MPFS (Medicare Physician Fee Schedule) – Medicare Fee for Service**
  - https://www.cms.gov/apps/physician-fee-schedule/overview.aspx
- **Insurance companies use this process as a guide**

How is reimbursement determined?

Work

- Time
- Technical skill/physical effort; mental effort; psychological stress
- Not individual outcomes
- Not level of education or duration of education
- Not value to the individual or society

Who makes the rules?

- CMS/NCCI
- AMA (CPT/RUC)
- Insurance companies

How can orthopedic surgeons impact the rules?

- Participate in RUC – feedback on time, physical and mental effort, psychological stress
- Research/publications - prove value
- AAOS Global Services Data (GSD)

Orthopedic reimbursement trend –10 years

- **Reimbursement via fee for service is decreasing per procedure**
  - **Orthopedics has been a target due to high utilization (high cost)**
- **Some factors are in our control, but most are not**
  - Major reductions are due to factors not in our control
- **General factors**
  - Shift to increase primary care reimbursement and reduce procedure-based reimbursement
    - **E/M code reimbursement increased in 2021, but global E/M visits are specifically excluded, and due to budget neutrality, all procedure-based specialties will take a further cut in reimbursement**
  - Episode bundles – Goal is to increase provider reimbursement short term, but then decrease it long term
  - Conversion factor
    - 2021 = $34.8931.
    - Payments even lower due to 2% sequestration 2013 through 2022
    - https://www.mywcms.org/files/documents/legislative/medicare-sequestration-faq.pdf
    - More pronounced when consider inflation

AMA
AMERICAN MEDICAL ASSOCIATION

History of Medicare Conversion Factors

Year	Conversion Factor	% Change	Primary Care Conversion Factor	% Change	Surgical Conversion Factor	% Change	Other Nonsurgical Conversion Factor	% Change
1992	$31.0010		N/A		N/A		N/A	
1993	N/A				$31.9620		$31.2490	
1994	N/A		$33.7180		$35.1580	10.0	$32.9050	5.3
1995	N/A		$36.3820	7.9	$39.4470	12.2	$34.6160	5.2
1996	N/A		$35.4173	-2.7	$40.7986	3.4	$34.6293	0.0
1997	N/A		$35.7671	1.0	$40.9603	0.4	$33.8454	-2.3
1998	$36.6873							
1999	$34.7315	-5.3						
2000	$36.6137	5.4						
2001	$38.2581	4.5						
2002	$36.1992	-5.4						
2003	$36.7856	1.6						
2004	$37.3374	1.5						
2005	$37.8975	1.5						
2006	$37.8975	0.0						
2007	$37.8975	0.0						
2008	$38.0870	0.5						
2009	$36.0666	-5.3						
1/1/10-5/31/10	$36.0791	0.03						
6/1/10-12/31/10	$36.8729	2.2						
2011	$33.9764	-7.9						
2012	$34.0376	0.18						
2013	$34.0230	-0.04						
2014	$35.8228	5.3						
1/1/15-6/30/15	$35.7547	-0.19						
7/1/15-12/31/15	$35.9335	0.50						
2016	$35.8043	-0.36						
2017	$35.8887	0.24						
2018	$35.9996	0.31						
2019	$36.0391	0.11						
2020	$36.0896	0.14						
2021	$34.8931	-3.3						

Initially, the Medicare Physician Payment Schedule included distinct conversion factors for various categories of services. In 1998, a single conversion factor was offset by elimination of the work adjustor and increases in the practice expense and PLI RVUs. The reduction in the 2009 conversion factor was offset by elimination of the work adjustor from the third Five-Year Review. The reduction in the 2011 conversion factor was offset by increases to the practice expense and PLI RVUs resulting from the rescaling of those RVU pools to match the revised MEI weights.

FORI | FONDREN ORTHOPEDIC RESEARCH INSTITUTE

TERFSES

Factors for Decreasing Sports Medicine (SM) Reimbursement

Not in our control

- Typical/common codes have had reimbursement reduced
- Many codes are now bundled – Can generally only code one or two codes per case
- **Payors take any opportunity to avoid paying:**
  - Pre-authorization – approve surgery then deny payment; only authorize one code
  - Make internal rules for what is standard of care - “experimental”

In our control

- **Correct ICD-10 coding**
- **Correct CPT coding – bundling rules**
- **Documentation**
- Input Comorbidities as structured data

Tools for Reimbursement

AAOS Codex or similar tool

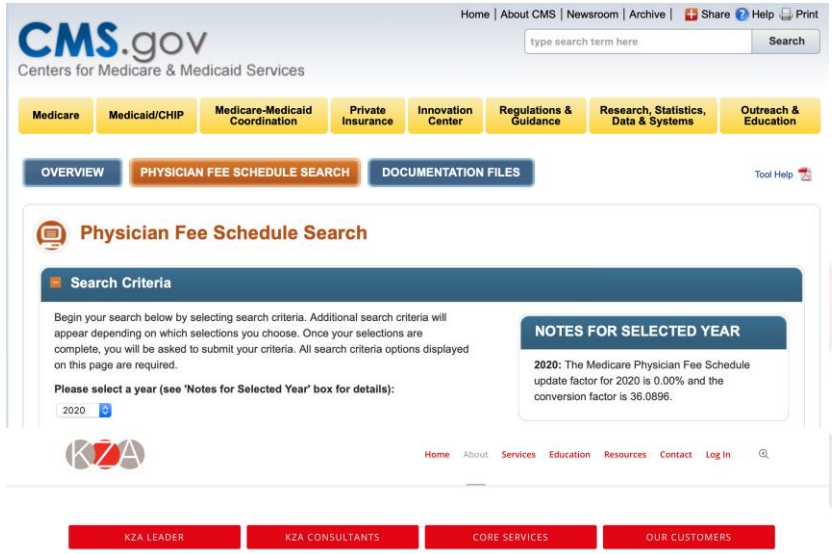
- https://codex.aaos.org/

MPFS

- https://www.cms.gov/apps/physician-fee-schedule/search/search-criteria.aspx

Karen Zupko

- https://www.karenzupko.com/



TERFSES

ICD – 10 General tips

Diagnosis

- Always choose a diagnosis with a right or left designation – 7 spaces
- Generally, EMR or other sources (Codex) can provide common codes

Input diagnoses/comorbidities that impact your treatment

- Diabetes
- H/O DVT

ICD-10	Diagnosis	Side	Should this be used?
S43.421A	Sprain of right rotator cuff capsule, initial encounter	R	Yes
S43.422A	Sprain of left rotator cuff capsule, initial encounter	L	Yes
S43.42	Sprain of rotator cuff capsule	Neither	NEVER

ICD-10	Comorbidity
I10	Benign essential hypertension
E11.9	Type 2 Diabetes
E66	Obesity
Z86.718	History of DVT
I25.10	CAD
Z86.73	History of TIA or stroke, no deficit
I50.9	Heart failure (includes CHF)

ICD – 10 Personal tips

No injury – Unsure of diagnosis	• use joint pain code
Trauma or injury –	• consider using joint sprain code, specific or non-specific
Imaging confirms diagnosis	• use appropriate specific code

ICD-10	Diagnosis	Scenario
M25.561	Knee pain, right	New to clinic, no trauma, several potential diagnoses, images not definitive
M25.562	Knee pain , left	New to clinic, no trauma, several potential diagnoses, images not definitive
M25.511	Shoulder pain, right	New to clinic, no trauma, several potential diagnoses, images not definitive
M25.512	Shoulder pain , left	New to clinic, no trauma, several potential diagnoses, images not definitive
S83.91XA	Sprain of unspecified part right knee, initial	New injury or recent trauma, several potential diagnoses, images not definitive
S83.92XA	Sprain of unspecified part left knee, initial	New injury or recent trauma, several potential diagnoses, images not definitive
S43.91XA	Sprain of unspecified part right shoulder, initial	New injury or recent trauma, several potential diagnoses, images not definitive
S43.92XA	Sprain of unspecified part left shoulder, initial	New injury or recent trauma, several potential diagnoses, images not definitive
S83.511A	Sprain of anterior cruciate ligament right knee, initial	Classic history and exam; imaging does not need to confirm
S83.512A	Sprain of anterior cruciate ligament left knee, initial	Classic history and exam; imaging does not need to confirm
S43.421A	Sprain of right rotator cuff capsule, initial	Classic history and exam; imaging does not need to confirm
S43.422A	Sprain of left rotator cuff capsule, initial	Classic history and exam; imaging does not need to confirm

Clinic E/M

New versus established patient criteria

- Patient not seen by practice within 3 years
- Different subspecialty (Hand and primary care sports excluded)

Table 2 – CPT E/M Office Revisions
Level of Medical Decision Making (MDM)

Revisions effective January 1, 2021:

Note: this content will not be included in the CPT 2020 code set release

CPT is a registered trademark of the American Medical Association.
Copyright 2019 American Medical Association. All rights reserved.

Code	Level of MDM (Based on 2 out of 3 Elements of MDM)	Elements of Medical Decision Making		
		Number and Complexity of Problems Addressed	**Amount and/or Complexity of Data to be Reviewed and Analyzed** ** Each unique test, order, or document contributes to the combination of 2 or combination of 3 in Category 1 below.*	**Risk of Complications and/or Morbidity or Mortality of Patient Management**
99211	**N/A**	N/A	N/A	N/A
99202 **99212**	**Straightforward**	**Minimal** • **1** self-limited or minor problem	**Minimal or none**	**Minimal risk of morbidity from additional diagnostic testing or treatment**

99203
99213
	Low	**Low**
		• **2** or more self-limited or minor problems;
		or
		• **1** stable chronic illness;
		or
		• **1** acute, uncomplicated illness or injury
			Limited
			(Must meet the requirements of atleast 1 of the 2 categories)
			Category 1: Tests and documents
			• **Any combination of 2 from the following:**
			  • Review of prior external note(s) from each unique source*;
			  • review of the result(s) of each unique test*;
			  • ordering of each unique test*
			or
			Category 2: Assessment requiring an independent historian(s)
			(For the categories of independent interpretation of tests and discussion of management or test interpretation, see moderate or high)
				Low risk of morbidity from additional diagnostic testing or treatment

99204
99214
	Moderate	**Moderate**
		• **1** or more chronic illnesses with exacerbation, progression, or side effects of treatment;
		or
		• **2** or more stable chronic illnesses;
		or
		• **1** undiagnosed new problem with uncertain prognosis;
		or
		• **1** acute illness with systemic symptoms;
		or
		• **1** acute complicated injury
			Moderate
			(Must meet the requirements of at least 1 out of 3categories)
			Category 1: Tests, documents, or independent historian(s)
			• **Any combination of 3 from the following**:
			  • Review of prior external note(s) from each unique source*;
			  • Review of the result(s) of each unique test*;
			  • Ordering of each unique test*;
			  • Assessment requiring an independent historian(s)
			or
			Category 2: Independent interpretation of tests
			• Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported);
			or
			Category 3: Discussion of management or test interpretation
			• Discussion of management or test interpretation with external physician/other qualified health care professional\appropriate source (not separately reported)
				Moderate risk of morbidity from additional diagnostic testing or treatment
				
				Examples only:
				• Prescription drug management
				• Decision regarding minor surgery with identified patient or procedure risk factors
				• Decision regarding elective major surgery without identified patient or procedure risk factors
				• Diagnosis or treatment significantly limited by social determinants of health

99205
99215
	High	**High**
		• **1** or more chronic illnesses with severe exacerbation, progression, or side effects of treatment;
		or
		• **1** acute or chronic illness or injury that poses a threat to life or bodily function
			Extensive
			(Must meet the requirements of at least 2 out of 3categories)
			
			Category 1: Tests, documents, or independent historian(s)
			• **Any combination of 3 from the following**:
			  • Review of prior external note(s) from each unique source*;
			  • Review of the result(s) of each unique test*;
			  • Ordering of each unique test*;
			  • Assessment requiring an independent historian(s)
			or
			Category 2: Independent interpretation of tests
			• **Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported);**
			or
			Category 3: Discussion of management or test interpretation
			• Discussion of management or test interpretation with external physician/other qualified health care professional/appropriate source (not separately reported)
				High risk of morbidity from additional diagnostic testing or treatment
				
				Examples only:
				• Drug therapy requiring intensive monitoring for toxicity
				• Decision regarding elective major surgery with identified patient or procedure risk factors
				• Decision regarding emergency major surgery
				• Decision regarding hospitalization
				• Decision not to resuscitate or to de-escalate care because of poor prognosis

Documentation – E/M 2021

Medically Appropriate History

- Symptoms - types, severity, duration, quality, location
- How symptoms are impacting life, provocative activities
- Interventions tried and impact
- Injury or insidious

Medically Appropriate Exam

- Key findings suggestive of diagnosis – Lachman, effusion, McMurray, impingement signs, weakness

Imaging

- Document joint imaged, number of views, types of views and findings.
- Document review of all outside images.

Medical Decision Making (MDM)

- List all problems
- Describe complexity of problems
- Summarize all the data reviewed and analyzed
- Review types and risks of management options

E/M 2021

New patient	Scenario
Level 2	Patient presents with a skin abrasion
Level 3 or 4	Non-surgical knee or shoulder injury
Level 4 or 5	Rotator cuff tear or ACL tear already diagnosed and referred for surgical discussion and care

Established patient	Scenario
Level 2	Follow up of a skin abrasion to rule out infection with resolution
Level 3 or 4	Patient has not improved with initial conservative care; re-examine, discuss options: send for different type of conservative care
Level 4 or 5	Patient has not improved with conservative care; re-examine; discuss potential surgical options; explain potential diagnoses; review all risks and benefits of treatment

Clinic E/M - Common Modifiers

- **Modifier 25**
  - **Significant, Separately Identifiable Evaluation and Management Service by the Same Physician or Other Qualified Health Care Professional on the Same Day of the Procedure or Other Service**
  - Use with the E/M code if injection is given but was not planned.
    - First visit
    - Established visit with discussion leading to decision to give injection
    - **Do not use if the patient is coming in only for an injection.**
- **Modifier 24**
  - **Unrelated Evaluation and Management Service by the Same Physician or Other Qualified Health Care Professional During a Postoperative Period**
  - Use if evaluating another body part in the post-operative period
    - If you are in the global period for a left knee procedure and the patient presents with left shoulder pain

CPT - Common knee and shoulder trends

	2000	2010	2011	2012	2021	Low	Peak
29880	8.5	9.45	9.45	7.39	7.39	***current***	***2011***
29881	7.76	8.71	8.71	7.03	7.03	***current***	***2011***
29877	7.35	8.3	8.3	8.3	8.3	***2000***	***current***
29888	13.9	14.3	14.3	14.3	14.3	***2000***	***current***
29827	0	15.59	15.59	15.59	15.59	***2003***	***current***
29826	8.99	9.16	9.16	3	3	***current***	***2011***
29822	7.43	7.60	7.60	7.60	7.03	***current***	***2010***
29823	8.17	8.36	8.36	8.36	7.98	***current***	***2010***

All values in wRVU

CPT– Common knee issues

CPT	Descriptor	Notes
29877	Arthroscopy, knee, surgical debridement/shaving of articular cartilage (chondroplasty)	Can never use with 29881, 29880, 29879
29879	Arthroscopy, knee, surgical abrasion arthroplasty (includes chondroplasty where necessary) or multiple drilling or microfracture	Can use with most codes except 29877
29875	Arthroscopy, knee, surgical synovectomy, limited (e.g., plica or shelf resection)	Can only be used alone
29876	Arthroscopy, knee, surgical synovectomy, major, 2 or more compartments (e.g., medial or lateral)	Two compartments need to be addressed separate from other codes; never with 29880

CPT – Common shoulder issues

CPT	Descriptor	Notes
29826	Arthroscopy, shoulder, surgical decompression of subacromial space with partial acromioplasty, with coracoacromial ligament (ie, arch) release, when performed	Can be used with any code; add-on code; poor reimbursement; **BCBS now denying**
29823	Arthroscopy, shoulder, surgical debridement, extensive	Can only be used with 29827, 29828, 29824, 29826; debridement of at least three structures
29822	Arthroscopy, shoulder, surgical debridement, limited	Can only be used alone or with 29826

Documentation – Operative Report – Stand alone document

Match	• The ICD-10 with the CPT code in the header of the operative report
Dictate	• Details of the history that justify the procedure
Dictate	• Details of case that justify each ICD-10 diagnosis and each CPT code
Dictate	• How an assistant was helpful if needed
Dictate	• Why a modifier 22 was needed if necessary

Summary

Orthopedics has been targeted to decrease reimbursement.

- **This will continue …**
- **Unless we work together to provide evidence of our value and work**

Maximize patient care reimbursement

- Match right and left for ICD-10 codes
- Understand bundling and use of modifiers
- Focus on thorough and pertinent documentation

Thank you!

Texas Education and Research Foundation for Shoulder and Elbow Surgery Fellowship

Fondren Orthopedic Group L.L.P.

Fondren Orthopedic Research Institute