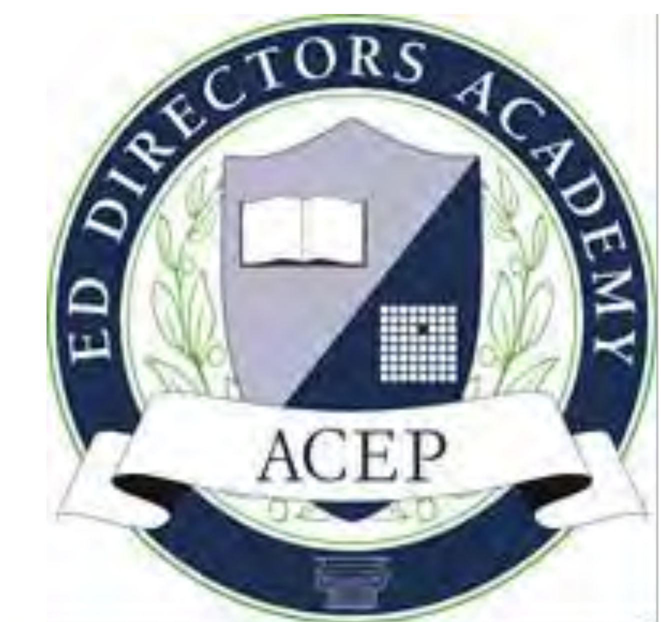
Reimbursement Strategies
EDDA June 2023

Michael Granovsky MD, CPC, FACEP
President, LogixHealth



Managing The Billing Process

- Track the important metrics
- Overall size of the AR
  - 40K visits runs ~ $2m
  - Days in AR-look for trends… benchmark < 40 increasing days = danger sign!
  - Follow Gross and Net collection ratio
  - Maximize $ collected per patient
    - Allow accounts to mature
- Gross monthly revenue should be steady!
- Watch gross charges as an early warning sign

Key Billing Report #1: AR Analysis

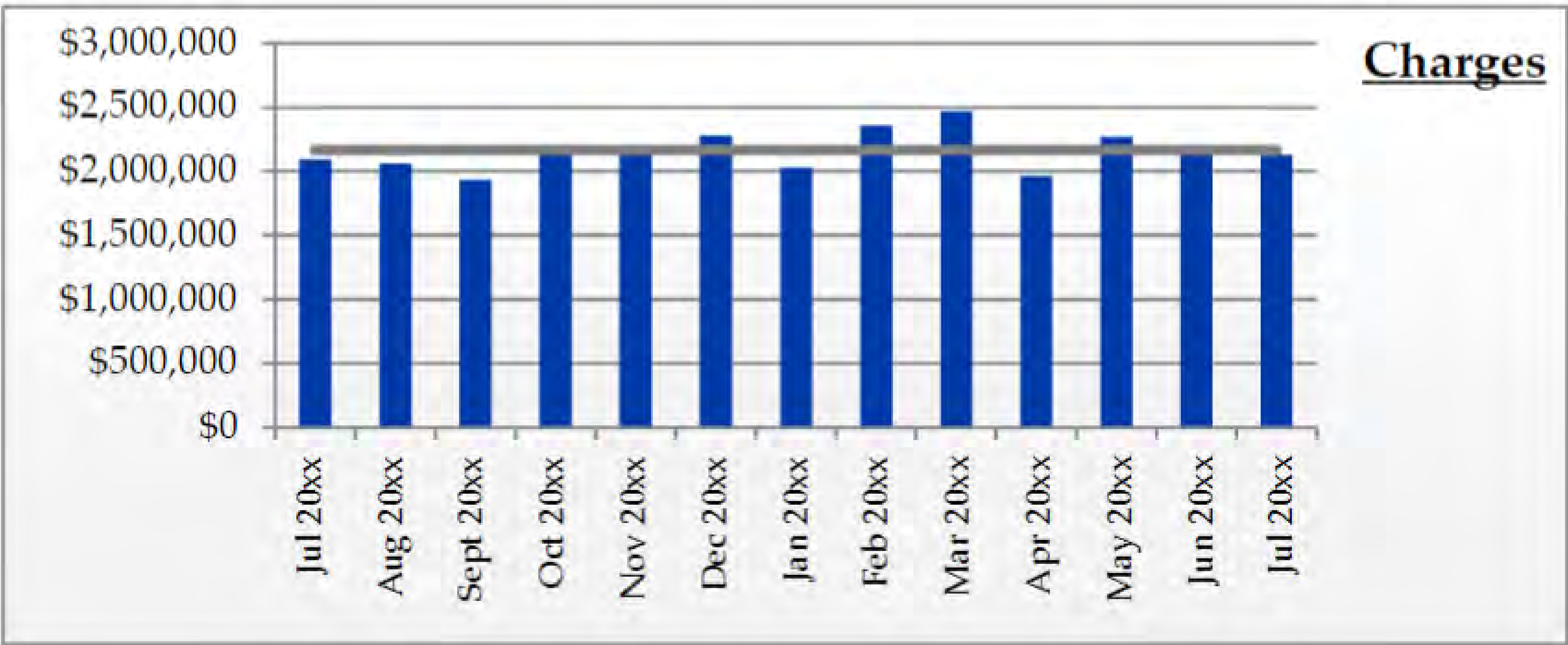
Executive Summary: Charges, Collections and A/R Analysis						
	Aug	Sep	Oct	Nov	Dec	Total
Charges*	$1,770,746	$1,822,473	$1,768,146	$1,703,243	$1,851,191	$8,415,799
Collections*	$716,148	$770,177	$777,442	$748,679	$702,914	$2,315,360
# of Patients*	3,052	3,425	3,212	3,158	3,512	15,759
Refunds*	$3,846	$3,799	$3,723	$4,043	$3,325	$8,098
Cont. Adjs*	$629,306	$608,797	$669,277	$659,878	$670,200	$2,837,457
Free Care*	$4,875	$3,585	$3,535	$4,979	$3,471	$16,570
Bad Debt*	$101,845	$108,090	$74,814	$103,341	$119,915	$579,006
A/R*	$2,114,447	$2,186,279	$2,031,080	$2,020,489	$2,145,504	$2,035,504
AR Days*	39	39	37	36	38	36

Metrics to Monitor

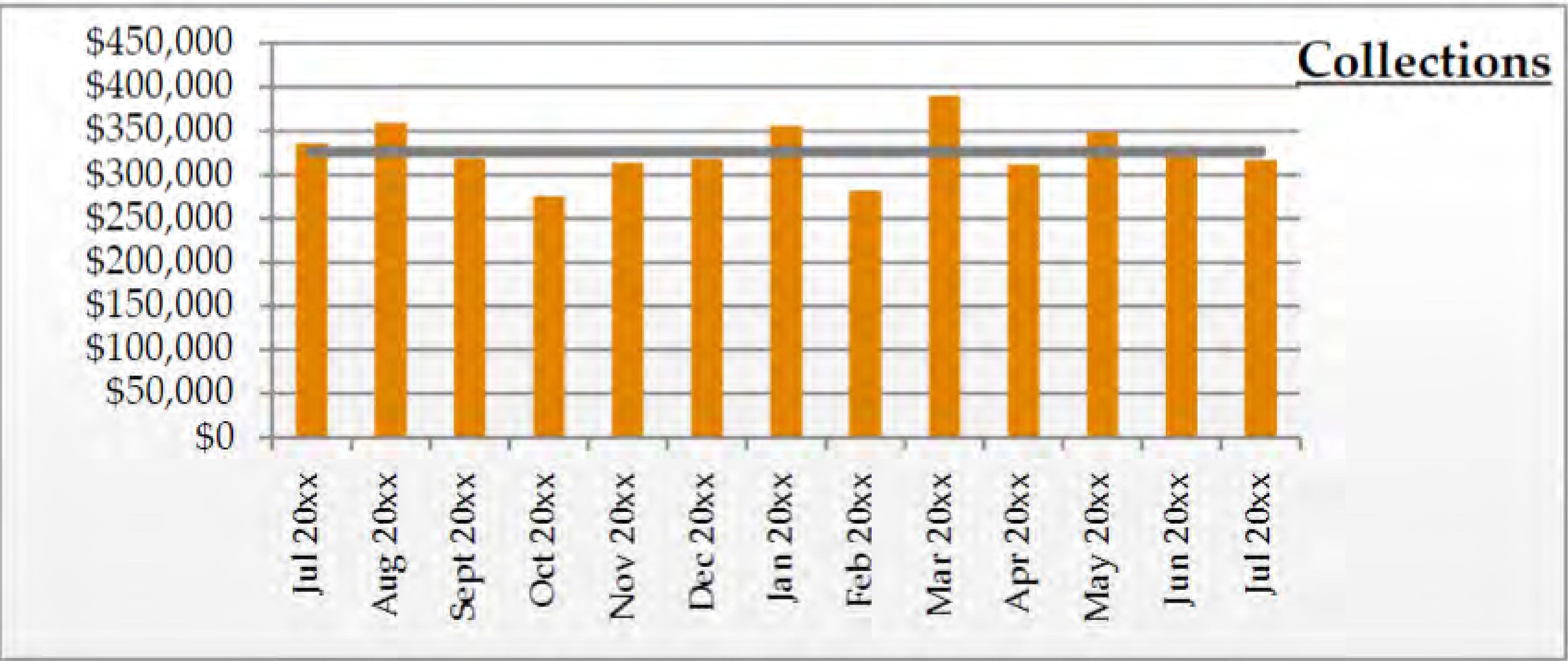
- Days in AR - Should not trend up
- Contractual adjustments should not spike up
- Monthly collections should be steady
- Average charge per patient – small variations
- Dollars collected per patient – tight range
  - Allow accounts to mature
- Watch gross charges and your E/M distribution

Early Warning vs Late Realization

Early Warning: Gross Charges



Too Late: Collections



Key Billing Report #2: Date of Service Analysis

Date of Service Analysis						
CPT	**March**	**April**	**May**	**June**	**July**	**Total**
Total Charges	$1,808,884	$1,821,390	$1,815,147	$1,465,803	$1,852,778	$8,664,002
# of Visits	3,219	3,313	3,304	**3,030**	3,276	16,242
Avg Chg/Pt.	$462	$463	$459	$460	$461	$461
Collections	$650,452	$643,591	$644,899	$624,791	$690,779	$2,634,511
Avg Collect/Pt.	$189	$189	$188	$190	$191	$189

The 6-month look-back

Billing Best Practices

- Benchmark 100% Billed Records
- Watch your early warning signs monthly
  - E/M Distribution
  - Gross Charges
  - Days in AR increasing
- Use AR Report and Date of Service Analysis together
- Vigilance going forward & accurate going backward

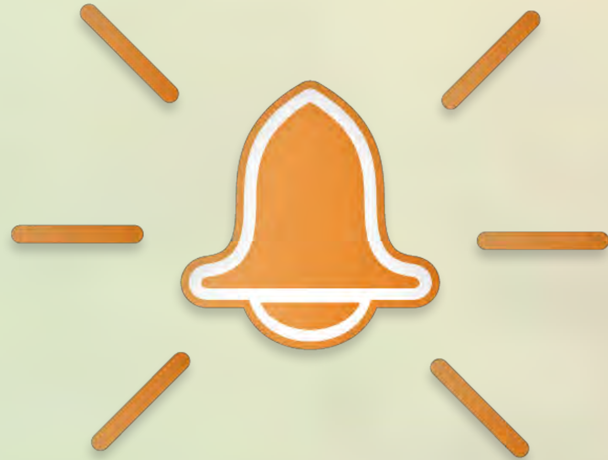
Next Level Problem Solving

Aged Trial Balance (ATB)

- Aging Analysis- a table displaying the A/R age by payer
  - 0-30 days, 30-60 days, 60-90 days, 90-120 days
  - Increase $$$ = warning sign!
  - Un-credentialed physicians
  - Clearing House failure
  - Billing company data file transfer failure
  - Alarm bells- monitor top 5 payers
    - Private pay increasing 45,60,75,….
    - BCBS
    - Medicare increasing

We Have a Problem!

ATB Warning Signs
Increase $$$ Far Out



Payor Category	0 - 30	31 - 60	61 - 90	91 - 120	*121 -150	151 - 180	Total
Blue Shield	$66,567	$23,476	$18,325	$5,567	$632	$67	$107,025
Medicaid	$7,928	$2,261	$2,051	$1,408	$781	$232	$16,521
Aetna	$23,439	$37,338	$48,116	$72,184	**$111,360**	$3,744	$297,116

Problem Soving: My Cash Is Down

- Go Back 60 – 120 Days
  - E/M Distribution
  - Volume
  - Charge per patient
  - Provider Enrollment
  - Electronic Submission process
- Carrier Specific Issues
  - Contracted vs Non Par Rates

My Cash Is Down

- Payer Policy changes
  - Inappropriate bundling (EKGs)
- Discounting of E/M with procedure
  - Not honoring 25 modifier
- Coding has drifted downward
- E/M diagnosis downcodes

BCBS Down-coding 99284/99285

To: Physicians and Other Health Care Professionals

Subject: Clinical Editing Policy - Evaluation and Management Coding

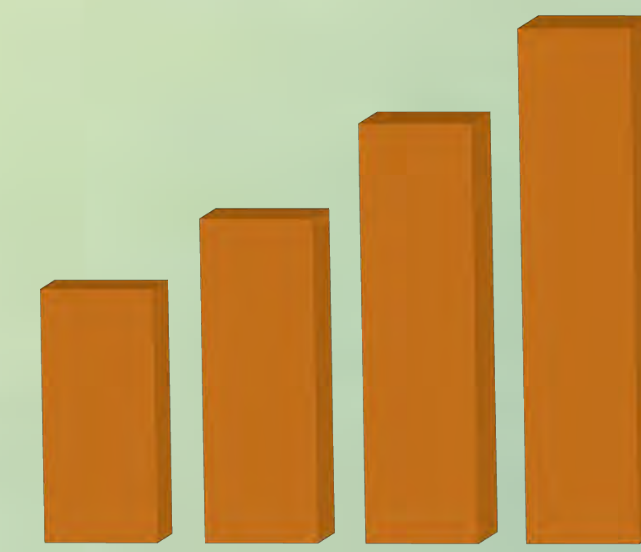
The Centers for Medicare & Medicaid Services has identified Evaluation and Management (E/M) coding as an area that has significant opportunity for increased accuracy. Effective with dates of service on and after

Excellus BlueCross BlueShield will adjust the level of E/M codes when appropriate.

Diagnosis codes will be used in determining the appropriate E/M level, using all diagnoses on the claim. If the diagnosis codes submitted do not support the level of E/M billed, the E/M code will be automatically adjusted to 1 or 2 levels lower at the time of adjudication based on the diagnosis code allowing the highest level.

Auto-Downcoding simply based upon Diagnosis!

Coding and Billing
Benchmarking and Best Practices

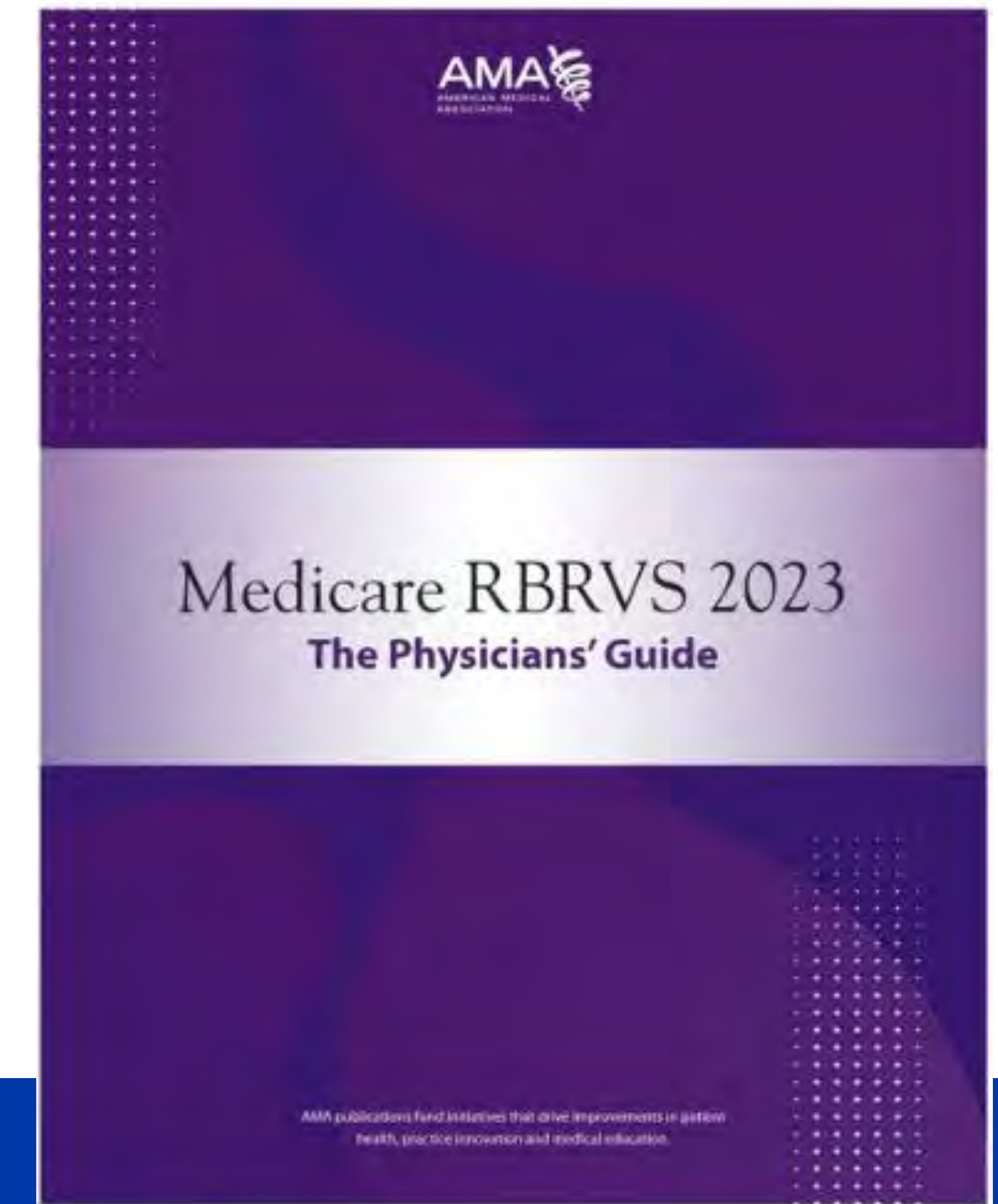


- Electronic processes
  - No clearing house
- 100% Enrolled Providers
  - Project
- 99.75% of records received at 30 days - Project
- 3 days to bill drop
- Consistent charges and monthly cash flow
- Days in AR < 40 days
- Maximized $$$ collected per patient
- Net Collections ratio 98%
- 98% clean first pass claims
- 2023 DG Robust Preparation
- 2023 DG Significant Education
- 2023 No RVU Decrease
- Weekly RVUs/Patient
  - Group and provider
- No backlog!
- Billing Reports
  - Executive summary
  - Date of Service

2023 RVUs and Payments

RBRVS Equation

Work RVUs
Practice Expense RVUs
+Liability Insurance RVUs
Total RVUs for a given code



RVU_{Total} X Conversion Factor (CF) = Medicare Payment

RVU Potential Problem: The Fight for 99284

"The RUC recommended a wRVU decease to 2.60 for 99284, a commenter submitted a public comment stating that (relativity between the ED visits and Office visits visits should be maintained), and submitted a specific recommendation for CPT codes 99283-99285 that was higher than the RUC-recommended values."

"We proposed and now finalized the values recommended by this commenter in this final policy and increased the work RVU from 2.60 to 2.74 for CPT code 99284."

2023 CMS Physician Final Rule page 669/3304

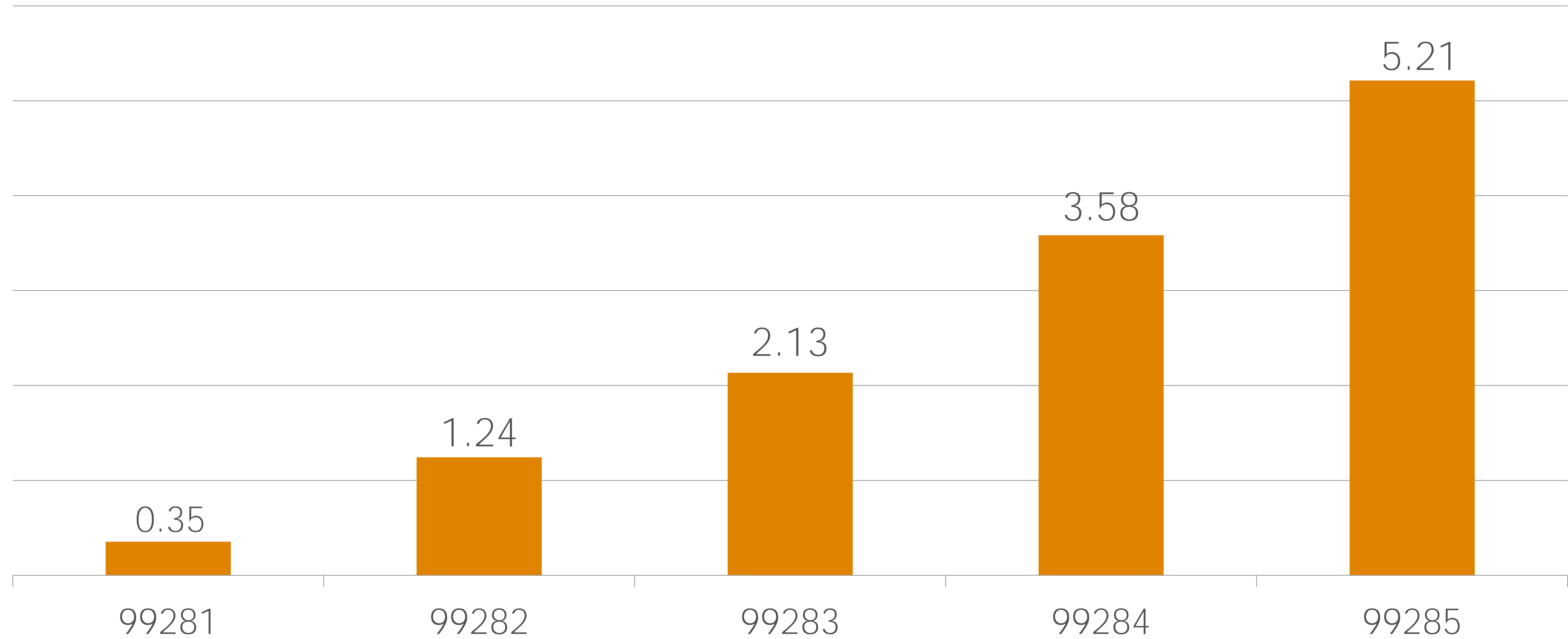
2023 Work RVUs Stabilized

Code	2022 Work RVU	2023 Work RVU
99283	1.60	1.60
99284	2.74	2.74
99285	4.00	4.00

2023 RVU Component Detail- Small Increases

Code	2023 Work	2022 Work	2023 PE	2022 PE	2023 PLI	2022 PLI	2022 Total	2023 Total
99281	0.25	0.48	0.06	0.11	0.04	0.05	0.64	0.35
99282	0.93	0.93	0.21	0.21	0.10	0.10	1.24	1.24
99283	1.60	1.60	0.35	0.33	0.17	0.18	2.11	2.13
99284	2.74	2.74	0.57	0.54	0.29	0.27	3.56	3.58
99285	4.00	4.00	0.79	0.75	0.42	0.42	5.17	5.21

2023 RVU Increases With Each E/M Level



Medicare Conversion Factor Big Picture

BBA 1997
SGR Formula

MACRA 2015
Repeals SGR
MIPS

2021 Budget Neutrality Triggered

2023 Conversion Factor Challenges

- Office visits went up substantially in 2021
  - Represents 20% of total Medicare physician cost
- Budget neutrality triggered >$20M spending increase

> *"Section 1848 of the Act requires that increases or decreases in RVUs may not cause the amount of expenditures for the year to differ by more than $20 million. If this threshold is exceeded, we make adjustments to preserve budget neutrality."*
>
> Physician Final Rule

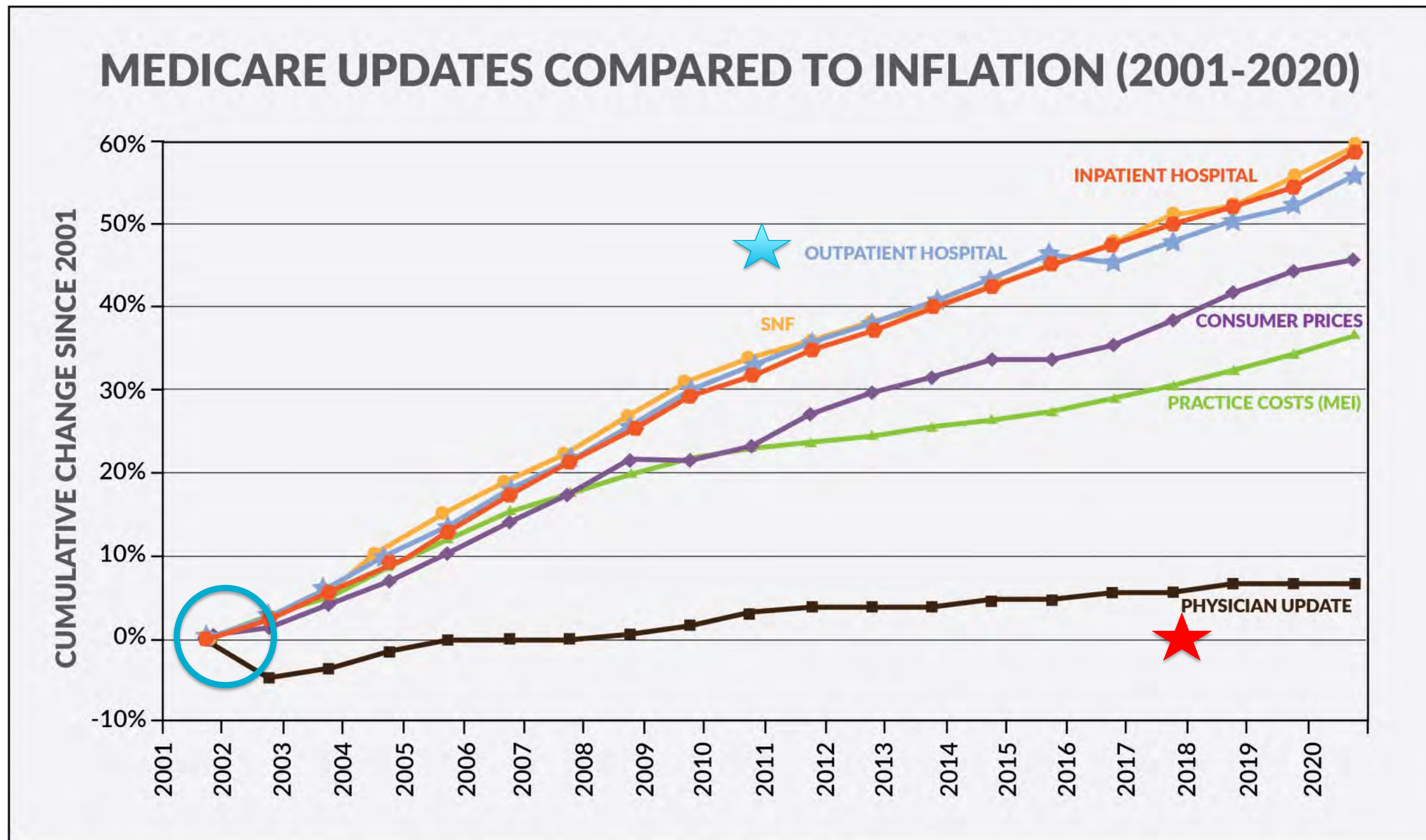
The Medicare Conversion Factor: Adjusted Annually

- Since 2021 have received some help from Congress annually. 2022 +3%
- Final Rule did not account for last year's 3% and cut another -1.6%

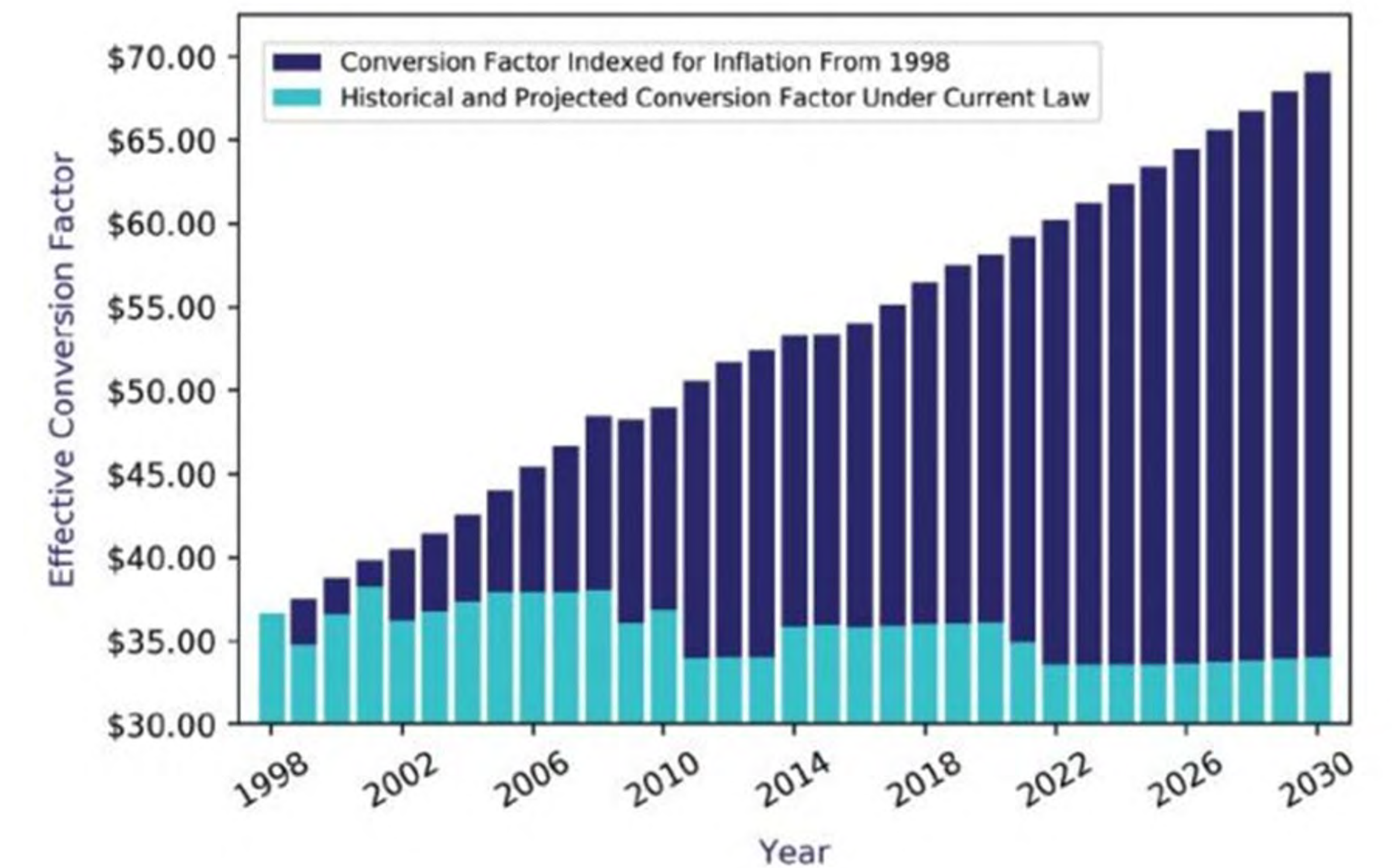
TABLE 146: Calculation of the CY 2023 PFS Conversion Factor

CY 2022 Conversion Factor		34.6062
Conversion Factor without CY 2022 Protecting Medicare and American Farmers from Sequester Cuts Act	-3.0%	33.5983
Statutory Update Factor	0.00 percent (1.0000)	
CY 2023 RVU Budget Neutrality Adjustment	-1.60 percent (0.9840)	
CY 2023 Conversion Factor	-4.6%	**33.0607**

Professional vs. Facility Revenue: Not Keeping Up



Sources: Federal Register, Medicare Trustees' Reports and U.S. Bureau of Labor Statistics



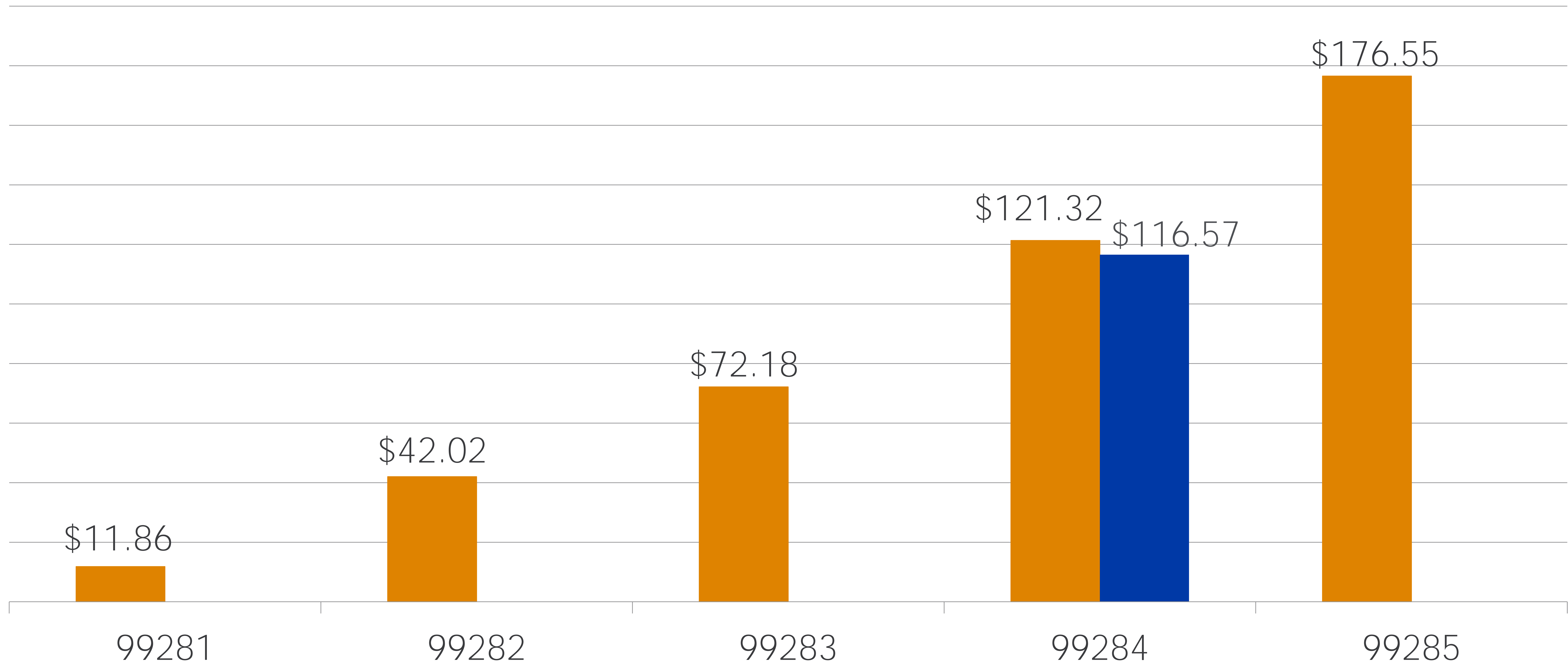
Final 2023 Medicare Payment per RVU

JANUARY 5, 2023 PRESS RELEASE:

"CMS has released updated national Medicare physician payment files that incorporate the changes in the Consolidated Appropriations Act of 2023. Congress reduced the 4.5% cut to Medicare physician payment by increasing the 2023 conversion factor by 2.5%. The updated 2023 Medicare physician payment schedule conversion factor will be $33.8872."

Year	Conversion Factor
2018	$35.9996
2019	$36.0391
2020	$36.0896
2021	$34.8931
2022	$34.6062
2023	$33.8872

2023 CMS National Fee Schedule



2023 APP Shared Services

Shared Visit Performance Requirement

- Longstanding CMS policy allows Physician NPI billing if a **"substantive portion"** of an APP shared visit performed
- 2022 Final Rule addressed how to define **"substantive portion"**:
  - more than half of the total time spent performing the shared visit; OR
  - one of the three key components: history, exam, OR MDM

> *"If MDM is used as the substantive portion, each practitioner could perform certain aspects of MDM, but the billing practitioner must perform all portions or aspects of MDM that are required to select the visit level billed."*
>
> 2022 CMS Physician Fee Schedule Final Rule page 425/2414

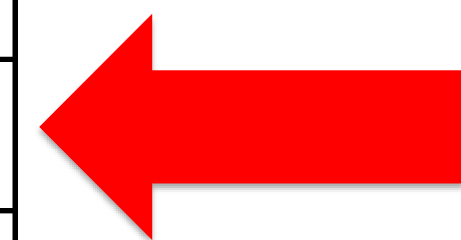
2023 ED Shared Services Almost A Big Problem

"Having reviewed the public comments and consulted with our medical officers, we do not believe that an alternative process for ED visits is the best approach at this time. As we discussed above, only for 2022, we will allow history, or exam, or MDM, or more than half of the total time, to comprise the substantive portion of any E/M visit (including ED visits) except critical care. Starting in 2023, the finalized listing of qualifying activities will apply to all split E/M visits except critical care, for purposes of determining the substantive portion."

2022 CMS Physician Fee Schedule Final Rule page 434

TABLE 26: Final Definition of Substantive Portion for E/M Visit Code Families

E/M Visit Code Family	2022 Definition of Substantive Portion	2023 Definition of Substantive Portion
Other Outpatient*	History, or exam, or MDM, or more than half of total time	More than half of total time
Inpatient/Observation/Hospital/Nursing Facility	History, or exam, or MDM, or more than half of total time	More than half of total time
Emergency Department	History, or exam, or MDM, or more than half of total time	More than half of total time
Critical Care	More than half of total time	More than half of total time



2023 Shared Services: A Victory!

"As part of our ongoing engagement with interested parties, we are hearing continued concern about the implementation of our phased in approach with regard to defining "substantive portion" only as more than half of the total time of the visit, and continue to receive requests that we also recognize MDM as the substantive portion"

2023 CMS Physician Final Rule page 669/3304

"After considering the public comments we received, we are finalizing our proposed policy to delay implementation of our definition of the substantive portion as more than half the total practitioner time until January 1, 2024."

2023 CMS Physician Final Rule page 672/3304

Good News: Shared Visits Expanded-Include Critical Care

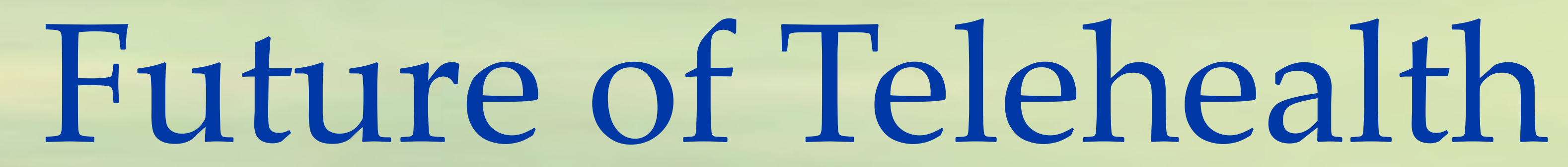
"*<u>We also proposed to modify our policy to allow physicians and NPPs to bill for shared visits for</u> both new and established patients, and for <u>critical care</u> and certain Skilled Nursing Facility /Nursing Facility (SNF/NF) E/M visits. We proposed these modifications to the current policy and conditions of payment <u>to account for</u> changes that have occurred in medical practice patterns, including <u>the evolving role of NPPs as part of the medical team.</u>*"

2022 CMS Physician Fee Schedule Final Rule page 425/2414

ED Telehealth Regulatory Update

- Key telehealth codes approved through 12.31.2023
  - ED 99281-99285 and critical care 99291-99292
  - Observation services
- Consolidated Appropriations Act, 2023 extended key waivers through 12.31.2024
  - HPSA geographic waiver
  - The patient home location waiver

Ends May 11th 2023



Future of Telehealth

- Code approvals expire 12.31.2023
- HPSA and geographic waivers expire 12.31.2024
- Advocacy effort underway to harmonize the telehealth approvals and extend the code approvals through 12.31.2024
- Letter cosigned by 46 medical societies to harmonize the regulatory expirations

Protecting Your ED's RVUs

RVU Production

Dr. Jones sees a weak and dizzy 80-year-old. He obtains extensive history from the family. The work up includes a Head CT, full cardiac evaluation with labs, and an EKG.

He speaks with the PMD and her cardiologist.

The patient is admitted.

RVUs: 99285 (5.17) + EKG (.24) =5.41

While waiting for the labs reduces a nursemaids elbow.

RVUs: Nursemaid's (2.33) + 99283 (2.11) = 4.44

82% more productive

RVU Production

RVUs/Patient X Patients/Hr =

91% E/M Level

Fast/Efficient

RVUs/Hr

2023 Common ED Service RVUs

Procedure	RVUs
EKG (93010)	0.24
Finger laceration- Simple 2.6 – 7.5 cm (12002)	1.75
Facial laceration- Intermediate 2.6- 5 cm (12052)	5.93
Central line placement (36556)	2.48
Chest tube placement (32551)	4.58
CPR (92950)	5.38
Shoulder dislocation reduction (23650)	9.21
Colles' fracture reduction (25605)	15.63

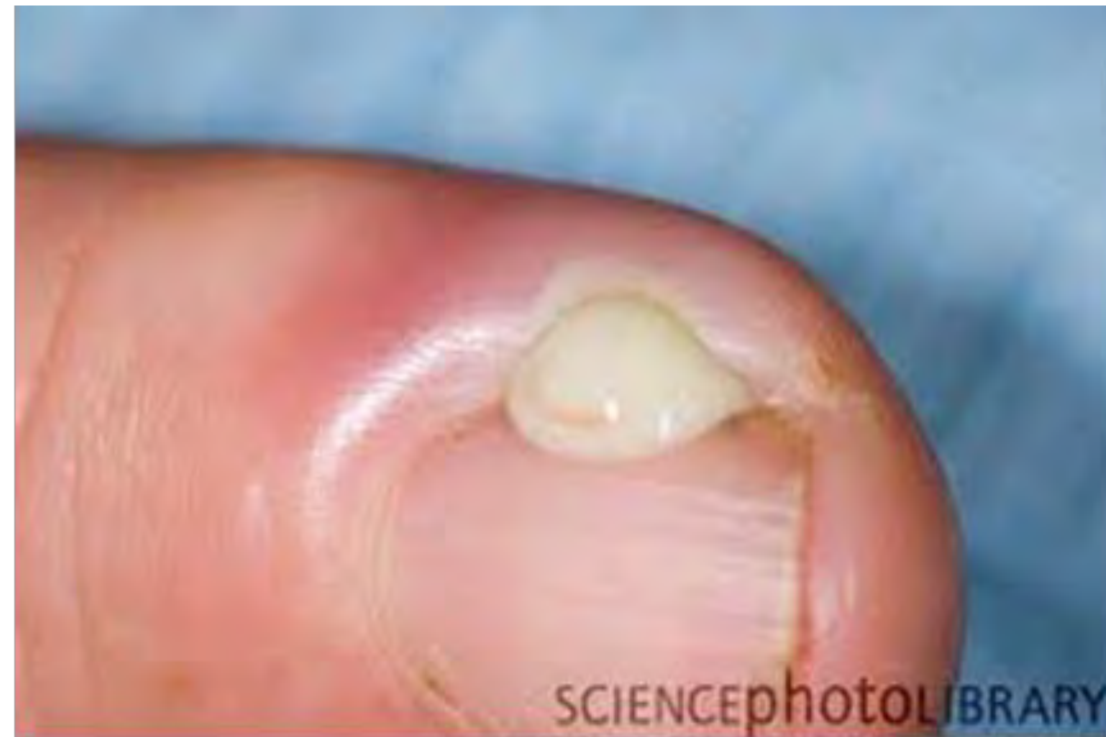
Compare to E/M value	RVUs
99282	1.24
99285	5.21
Critical Care (99291)	6.31

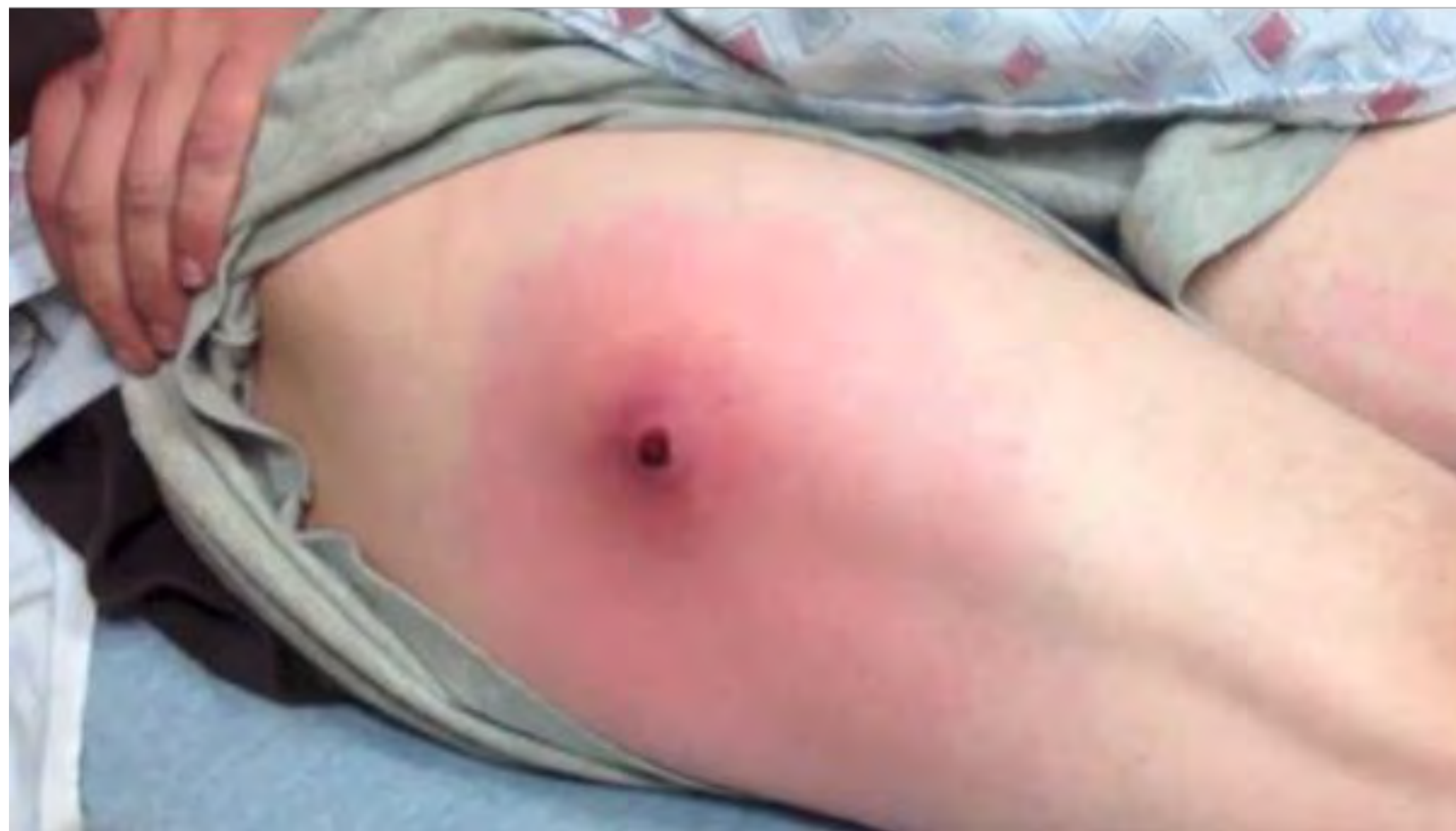
Surprises	RVUs
TMJ dislocation reduction (21480)	0.93
A-line insertion (36620)	1.31
LP (62270)	1.86
Patellar dislocation reduction (27560)	10.51

Direct RVU Enhancers

- Protect 83% 99281-99285
  - Education/Preparation
  - Ongoing Benchmarking
- Critical Care
  - 6.31 vs 5.21 RVUs
  - 1.1 RVUs = $50
- Complex I and D
  - Packing
  - 3.14 vs 5.47 = $80
- Laceration Repairs
  - Layered or Heavy Contm.
  - 2 RVUs = $70
- 40,000 visit ED
- EKG: .24 RVUs
  - $80,000
- X Ray: $160,000
- Ultrasound
  - $40,000 - $50,000
- Benchmark your coding
  - The intent was not to decrease the coding
  - Best Practices – follow weekly
  - Critical Care 5-7 %

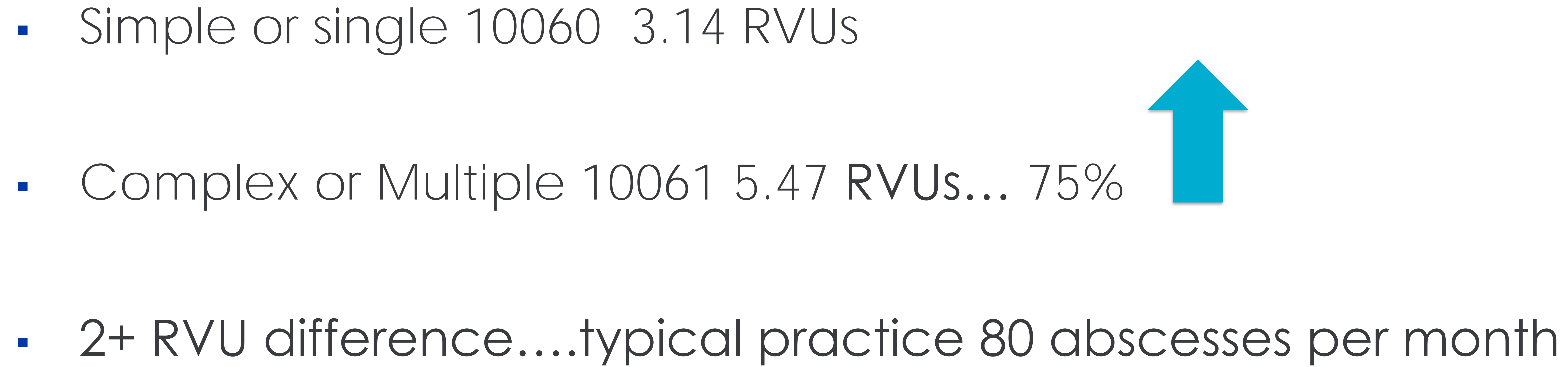
Abscess Drainage





- Simple or single
  - Furuncle, paronychia
  - Superficial
  - Single
- Complex or multiple
  - Probing
  - Loculations
  - Packing

2023 Abscess Valuation



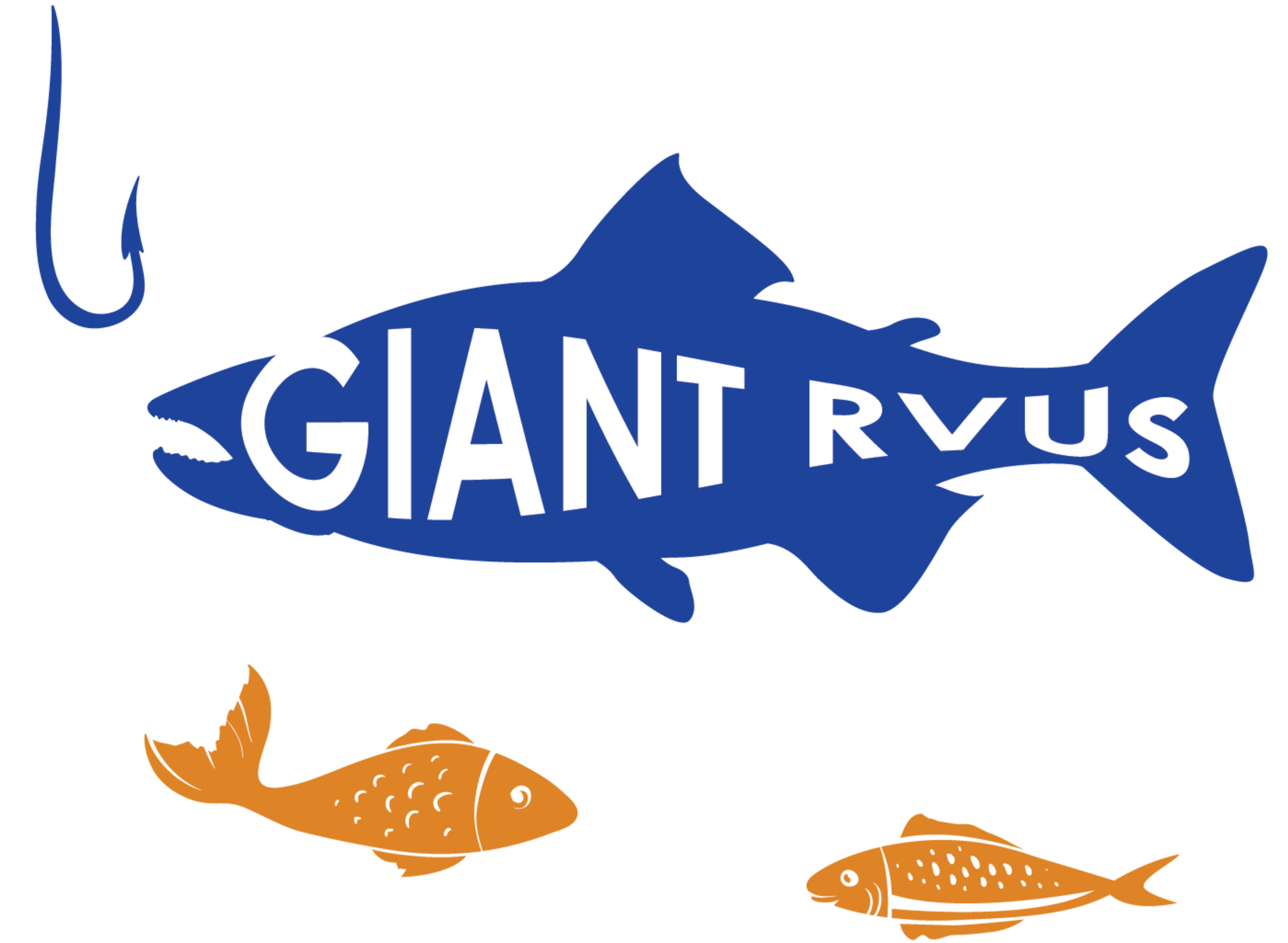
Additional 2,300 RVUs per year!

Well Documented I&D

INCISION AND DRAINAGE: Verbal consent obtained, Performed by attending, Indicated for cutaneous abscess, There are no contraindications, Anesthesia is lidocaine 1% without epinephrine, 3ml, Incision and drainage of inguinal/groin, simple, Incision was made over area of fluctuance, Explored for loculations, Irrigated, Packed with sterile gauze, Drained, Pus drained, 25, ml, Blood drained, 10, ml, Dressed, Neurovascular status normal after procedure, Tetanus NA, No complications, Patient tolerated procedure well.

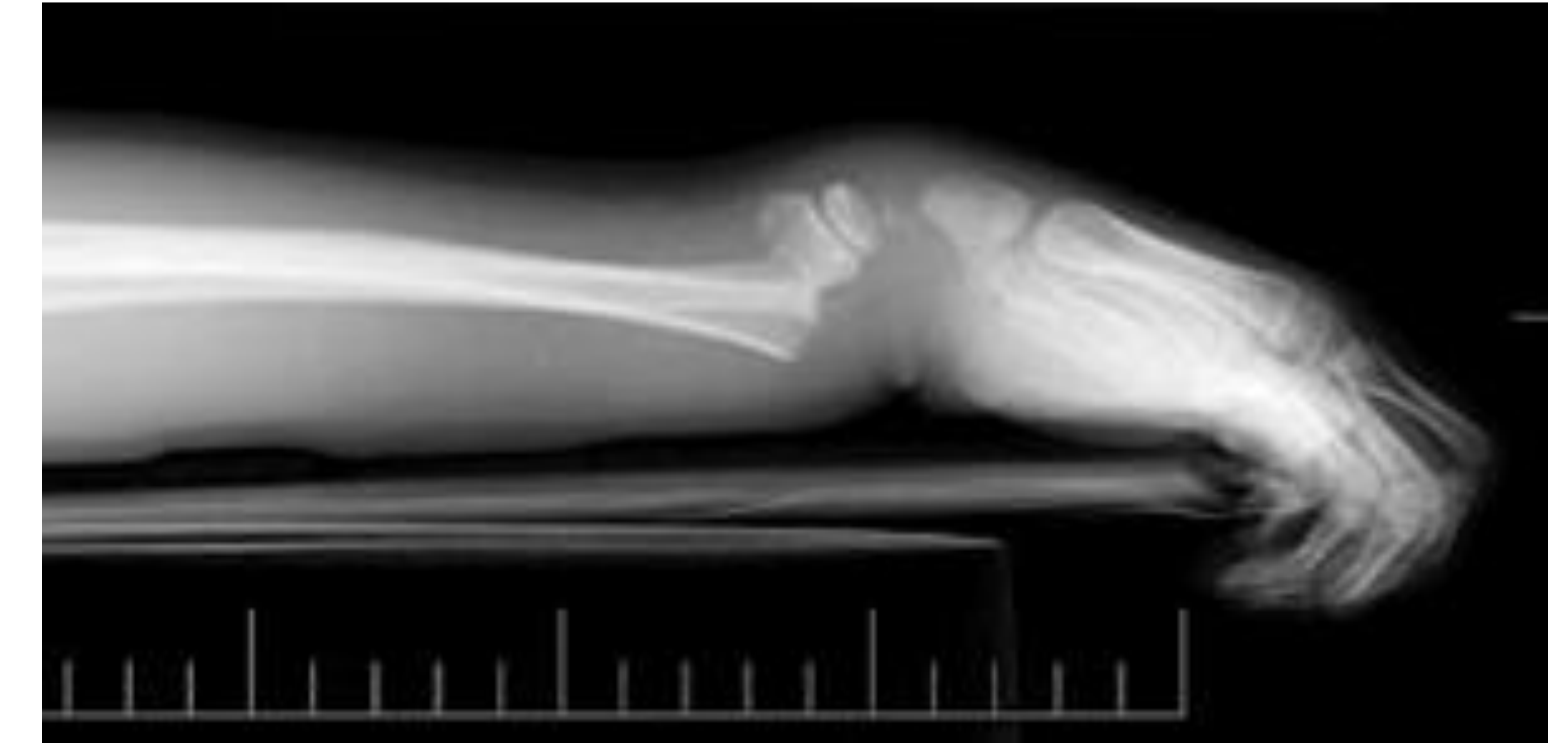
2023 Joint Reductions…Giant RVUs

- Hip traumatic (27250) 5.37 RVUs
- Hip post arthroplasty (27265) 12.67 RVUs
- Shoulder (23650) 9.21 RVUs
- Elbow nursemaid's (24640) 2.39 RVUs
- Elbow formal (24600) 10.51 RVUs
- Ankle (27840) 11.82 RVUs
- Finger IP (26770) 8.07 RVUs



Distal Radius Fracture Manipulation

- Capture with 25605 -54
- 25605 > 15 RVUs
- $400



EMERGENCY DEPARTMENT COURSE AND DIAGNOSTIC DATA: This is a 56-year-old female with right wrist pain, status post fall. The patient's x-ray of the right wrist showed Colles fracture of the distal radius with ulnar styloid avulsion. There is some mild dorsal angulation and displacement of the distal fragment.

The patient's hematoma block was performed with 10 mL of 1% lidocaine without epinephrine. The fracture displacement was reduced by me. A plaster sugar-tong splint is placed by me. Postreduction x-ray showed improvement of the dorsal angulation of the distal radius. The distal radial articular surface is now essentially perpendicular to the long axis of the radial shaft. There is no subluxation or dislocation.

Critical Care: The Math

CPT Code	2023 RVUs
99283	2.13
99284	3.58
99285	5.21
99291	6.31

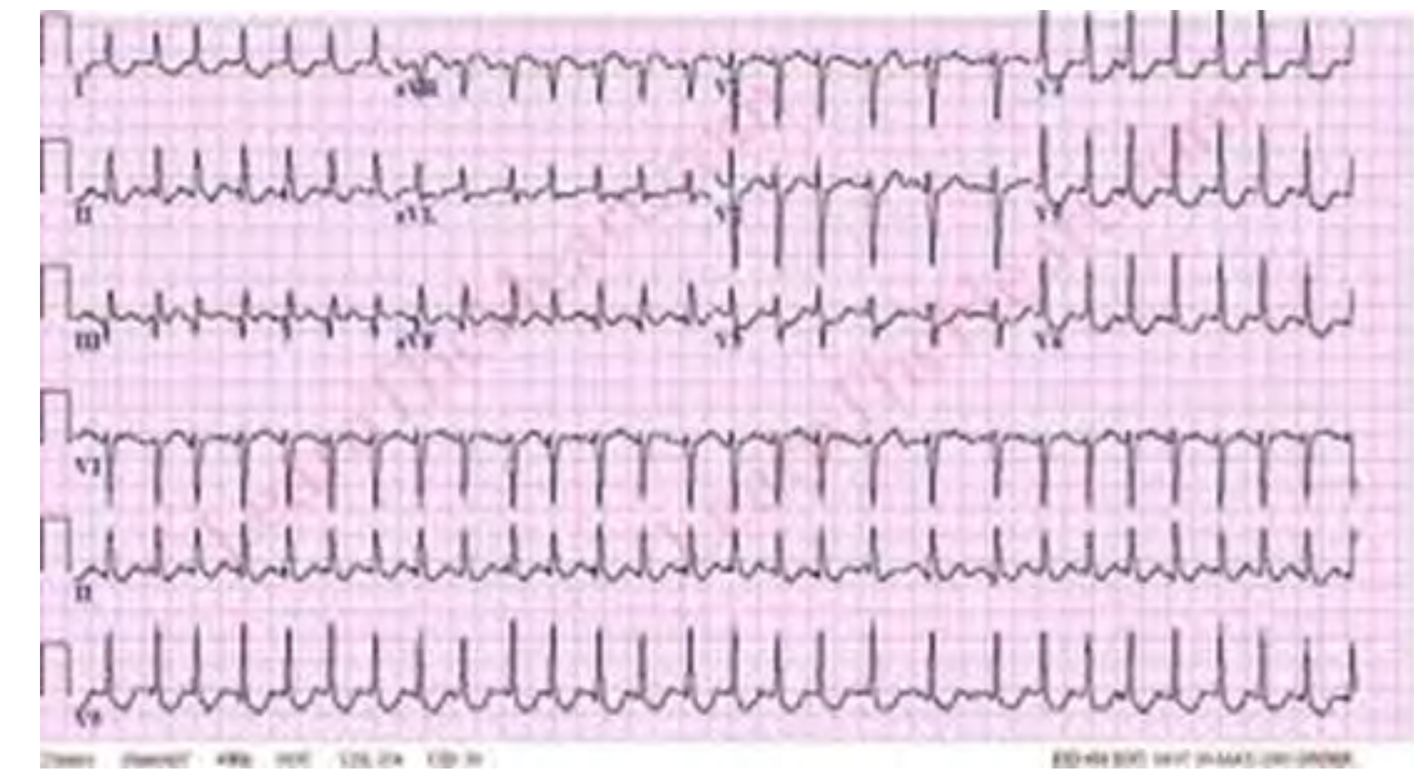
- 1.1 RVUs > 99285
- 8-hour shift
- 2 critical care pats.
  - Capture 2.2 RVUs
  - .3 RVUs per Hr.

Circulatory: Rapid A-Fib

- Rapid A-fib requiring Cardizem drip
- Medical Decision Making:

62-year-old with history of CABG 2018. Complains of rapid heartbeat with chest pain. EKG shows A-fib with RVR HR 170's-180s BP normal. Given cardizem 20 mg bolus. Rate still 150s with 2/10 chest pain. Additional 10mg bolus given with drip started. Heart rate now 100-110. BP normal CP resolved.

Hard Findings
Interventions

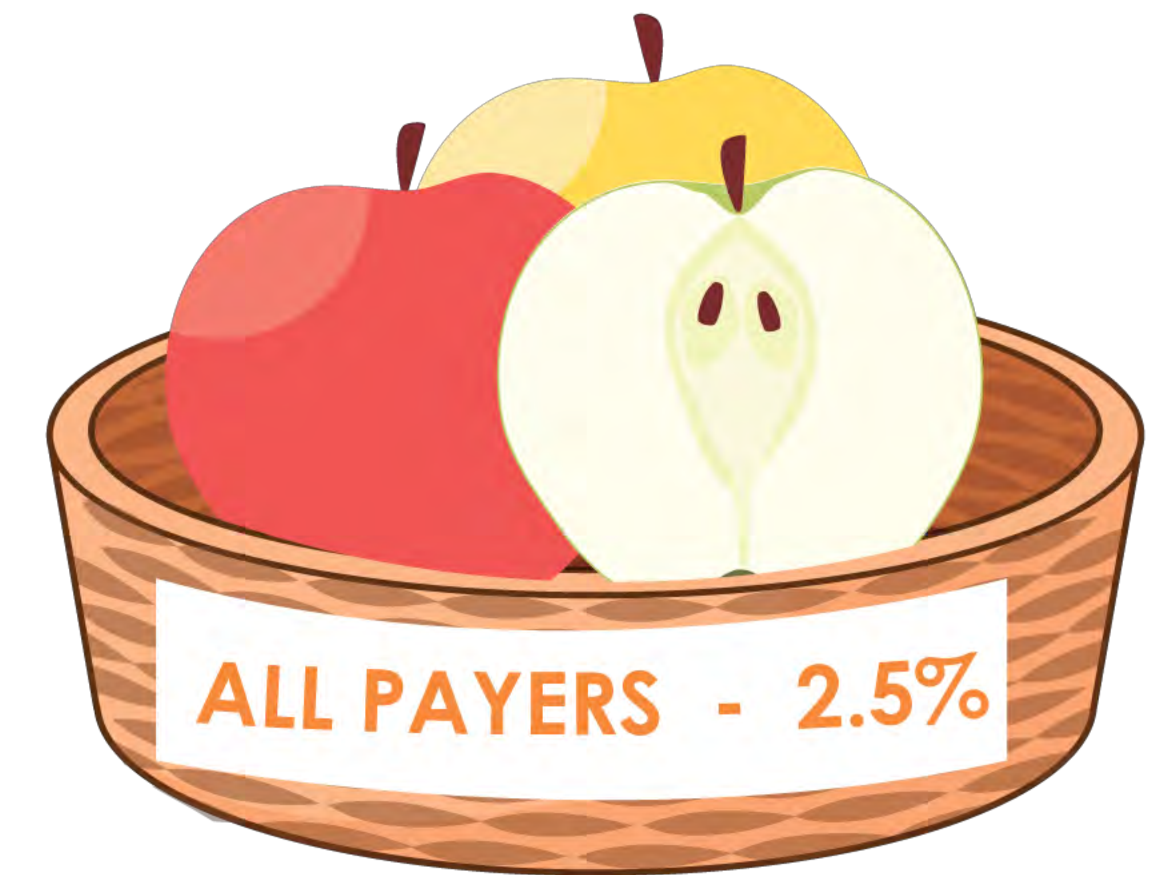


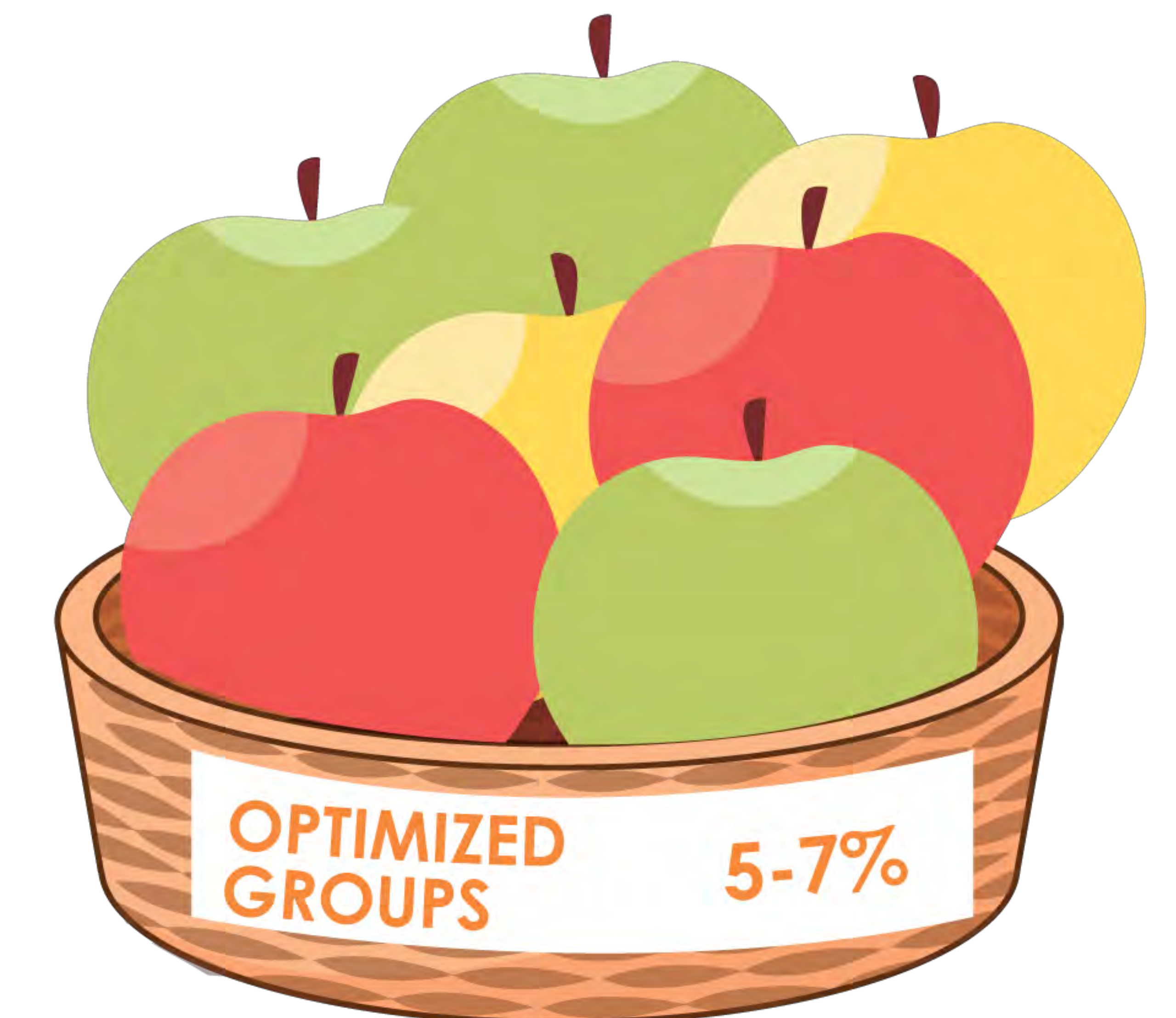
- Clinical Impression: Afib with RVR
- Critical Care Time: 40 minutes, excluding billable procedures

CV: Afib w/RVR, Sx SVT, ACS/active CP or EKG changes, Non Q wave MI

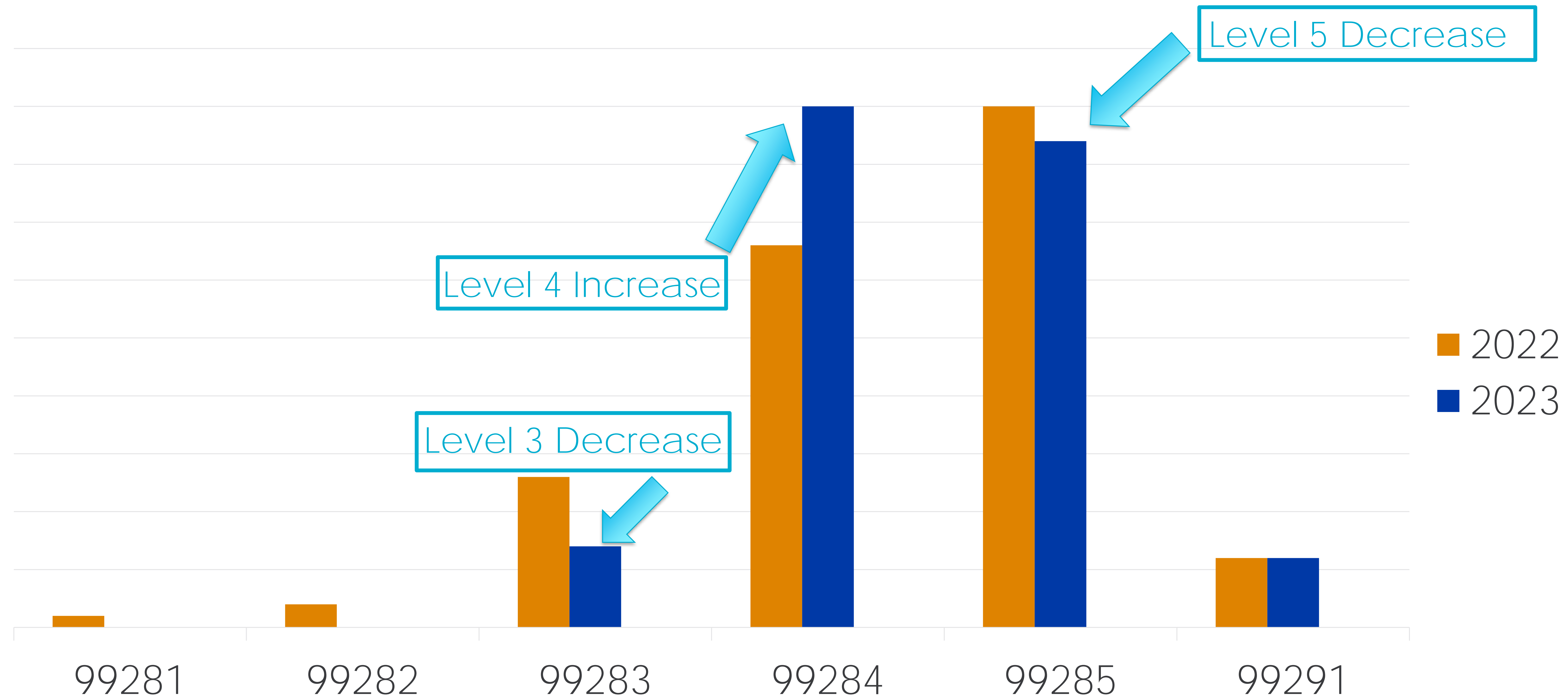
Benchmarking Critical Care

- Most admissions to ICU setting
  - Benchmark ICU admit rate against 99291
- Nationally ~2.5% all payers (under utilized)
  - Optimized groups approach 5-8% all payers
- Medicare Benchmark Data
  - National 8.5%
  - CA(S) 13.2%
  - PR 0.5%





Protect 83% of Your RVUs
Benchmarking 2022 vs 2023 E/M Distribution



Safeguard Your Group!

- Harness the two Key Billing Reports monthly
- Track early warning signs closely
- 2023 RVUs are stable
- Conversion factor ongoing fights to come
- Critical Care and Procedure RVUs
- 99281-99285 83% of your revenue
  - Benchmark- get it right
  - Educate, update, track closely

Michael Granovsky, MD, CPC, FACEP

www.logixhealth.com

mgranovsky@logixhealth.com

781.280.1575