

CODING UPDATE INSIDE

This publication is intended for our clients and members of the spine community, for the express purpose of providing practical and timely information to assist them in the business aspect of providing spine care services. Our goal is to inform and educate the spinal community to allow providers to increase reimbursement, enhance business efficiency, and strengthen economic growth. We welcome your comments and inquiries. We encourage your input and feedback as to how we can better serve you in your Spine practice or facility. This is an independent publication, supported by *Business Dynamics Limited*, and does not accept advertisements. Copying of the contents of this publication is permitted only with express written consent from *Business Dynamics Limited*.

About Us

Founded in 1994, Business Dynamics Limited has rapidly emerged as one of the nation's leading firms in healthcare management consulting. We offer specialized services individually tailored to the spine community at regional and national levels. Our highly trained and skilled staff work diligently to support spine practices, orthopedic and neurosurgical groups, spine centers, hospitals and ASCs to achieve enhanced practice operations and maximized reimbursement.

Our Services include:

- *Accounts Receivable Management*
- *Audits of Coding, Billing & Collections for Spine Practices and Facilities*
- *Financial Office Assessments & Policy Development*
- *Coding Services*
- *Access to our Spine Specialized Website*
- *Appeal Reviews and Management*
- *Contract Analysis*

THE SPINAL COLUMN

AAPC CEU Approved

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The Reimbursement Battle: A Brief History

By Barbara McBride-Cataletto, MBA, CPC
Chief Executive Officer

Spine Reimbursement Transitions are an indication of the complex relationships that exist between patients, surgeons and insurance carriers. Throughout the exciting developments in spinal surgery (new techniques, state of the art implants, etc.) practices and facilities have been challenged to meet the coding and reimbursement standards of a very intricate system. Insurance carriers began shouldering the burden of reviewing claims and compensating according to the National Coding Guidelines and accepted Reimbursement Standards. This role, taken by the insurance carrier, left quite a bit of animosity between them and the practicing surgeon. Allow me to explain.

In the beginning stages of spinal coding and expansion of spinal surgical procedures, coding was introduced as a means to incorporate the many variations that could be considered for one procedure or ailment. The process of adding more codes still continues today. Initially, coders and insurance carriers wrestled over payment issues such as multiple procedure reductions, levels of fusions billed, instrumentation types (anterior or posterior), etc. Coders and Billers often miscoded based on lack of experience or limited knowledge of the procedure being performed. Insurance carrier representatives were not much better as few knew anything at all about spine procedures, yet they were responsible for adjudicating the claims. In the more than twenty years that I have worked in this field, I have witnessed firsthand just how dangerous a scenario this can be. In fact, one of my very first appeals was over the anatomical location of the procedure. The claim was denied because the reviewer did not know the difference between anterior and posterior.

From the starting point of spine cod-

ing, though, reimbursement systems gradually developed and training advanced somewhat, but not to the level of full and complete consideration of the surgical procedure being performed. Denials generally came in the form of incorrect code pairing, incorrect preauthorization, or lack of documentation. Coders' inability to understand and adequately argue the procedures took a heavy enough financial toll on practices and facilities that physicians and administrators began to identify this as a major area of concern. Insurance carriers took advantage of the coders' limited expertise and were able to incorrectly deny millions of dollars in reimbursement to facilities and physicians.

Educational programs for spine coders/billers continued to grow, although they remained somewhat disengaged from a unified training process by the practice. Insurance carriers continued to be challenged by surgeons and reimbursement specialists, but this time at a much more advanced level. Surgeons were beginning to have a greater understanding of the components of coding and the tremendous impact that proper operative report documentation had on the reimbursement process. Their involvement in the appeals process became more evident as they began to realize the necessity of maintaining an aggressive collection position. Appropriate staffing became a priority in facilities and practices, with the goal being to try to level the playing field. The surgeon was to play the game of providing quality and appropriately-approved surgery and then skillfully navigate the reimbursement game. Finally, some ground was being made on the side of the facilities and the surgeons.

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Consultants' Corner Revenue Codes

Revenue Codes are used to identify implants and supplies utilized by hospitals during the patient's stay. When a patient requires the insertion of implants, Revenue Code 278 is used to identify each and every implant utilized. The implant components are counted (i.e.: an anterior construct may incorporate a plate and 4 screws, so the total implant count equals 5) and billed as a total number of units to the patient. Revenue Codes are not specific to "manufacturer's" brands or material types.

Revenue Code capturing is important for many reasons, but from a billing standpoint, it becomes extremely important to account for all implants correctly. In reimbursement situations that involve "carve-out" payments, or a "cost-plus" position, incorrect tallying will result in losses to the facility.

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Today, the rules are being manipulated, once again, but this time the rules seem obscenely unfair. Insurance carriers are hiring “medical directors” or “outside medical reviewers” to review claims for payment. This is usually after several layers of appeals and many hours of work have already been exhausted. The grievance of this process is not that it takes place, but that the reviewers are denying unjustly. Many denials are provided by physicians who have either never performed spine surgery, do minimal spine surgery, or have not performed spine surgery for many years. The reviewer’s name is often not disclosed when the denial is challenged, and information can only be obtained through arbitration or with the involvement of State or Federal Agencies.

As a company that is dedicated solely to spine, Business Dynamics Limited has been actively assisting spine specialists for over ten years. We have been involved in hundreds of these types of scenarios, where maximum reimbursement potential is not met due to a labyrinth of red tape constructed by insurance carriers. Review of

the surgeon’s operative note sometimes indicates that several corrections on the side of the physician could have prevented some of these denials, but certainly not all. We propose the following considerations before submission of your claims to help avoid falling into this pit:

- Pre-Authorize the Procedure and Codes Correctly
- Document All Insurance Conversations (name and date of all involved)
- Ask for the Authorization in Writing
- Dictate Immediately
- Document All Procedures, in an Acceptable Order
- Describe the Procedures in Context of the Codes
- Code Correctly, Submit Swiftly, with the Operative Notes
- Incorporate a Strong Collection Process
- Appeal Aggressively

Be involved in the process, have a plan, and take action when necessary. After all, if you are not interested, who will be? It is your financial future they are playing with, so take all possible steps to ensure that you come out the winner.

OUR MISSION

To enhance the revenue of the Spine Specialist through improved collection efforts and strategies.

To restore the significant value of the highly specialized services provided by Spine Specialists through economic growth.

To expand the knowledge base of the Spine Reimbursement Specialist by providing practical education and training in the fields of spine coding and collection.

Ruling Advisory Provisions Set for Blue Cross Blue Shield Settlement

The Blue Cross Blue Shield settlement that was agreed upon in April 2007 began to have several provisions drawn out over the past few weeks. The lawsuit, brought against Blue Cross Blue Shield on behalf of nearly 900,000 physicians (as well as several state and national medical societies around the country), alleged a calculated scheme to defraud physicians.

While the provisions may differ from state to state, a few of the general requirements are as follows:

- Blue Cross Blue Shield may not retroactively retract pre-certified medically necessary determinations;
- Blue Parties must pay for newly recommended vaccines and must reimburse for recommended vaccines and injectibles, as well as for the administration of the aforementioned;
- Overpayment recovery efforts may not be initiated more than 18 months after the original payment was made;
- Check or electronic funds transfers must be made within 30 calendar days for claims. 8% interest will be placed on delayed claims as a penalty;
- Supervision and interpretation CPT codes are separately identifiable and are eligible for payment;
- No global period for surgical procedures will be longer than the period designated by the Center for Medicare and Medicaid Services (CMS);
- “Add-on” codes, as designated by CPT, will be recognized and eligible for payments as separate codes and shall not be subject to the multiple procedure reduction logic or rule.

For more specific information on these provisions, and the complete listing, please visit www.hmosettlements.com, or contact Business Dynamics Limited at (516) 294-4118.

Fraudulent Reimbursement Investigated

By Jeremy Marchese, MA

For years, Business Dynamics Limited has fought against health insurance reimbursement rates which we believed to be far below realistic compensatory standards for complex services rendered by spine professionals. Throughout our numerous battles we have requested documentation from insurance carriers that detailed how their reimbursement rates were determined in order to examine the mathematical calculations behind their "reasonable and customary" benchmarks. Anyone who has attempted to receive explanations from insurance companies regarding their policies can, no doubt, visualize the forest of red tape that was thrown in our path each time.

In February 2008, New York State Attorney General Andrew M. Cuomo announced that his office would be spearheading an in-depth investigation into what he believes to be fraudulent reimbursement practices by several of the nation's largest health insurance carriers. At the heart of his investigation is the Ingenix fee schedule, which is the tool that many carriers reference as the "logic" behind their reimbursement rates. Have we ever stopped to wonder who developed that fee schedule, though? One would think it must have been some independent group of medical and financial experts, united by the common goal of looking out for the best interests of patients nationwide, no? Well, time to come back down to reality. Ingenix is actually a subsidiary of UnitedHealth Group, one of the largest health insurance companies in the nation.

Let's break this investigation down a bit further. United owns Ingenix. Ingenix calculates the fees that determine how much money medical professionals will receive as reimbursement for their services. By setting unreasonably low reimbursement rates, Ingenix is insuring that its parent company will keep its out-of-pocket costs down, thereby increasing the company's profit margin. Can you say "conflict of interest?"

It is not only the medical professional who suffers in this convoluted setup, though; it is also the patient. With low reimbursement rates set (and many insurance carriers paying only 80% of the cost for

a procedure) the insured then becomes responsible for a larger remaining balance. There is only one party who comes out ahead in this game, and that is the insurance company.

In addition to United, Attorney General Cuomo has issued subpoenas to Aetna, CIGNA, and Empire BlueCross BlueShield; with future plans to bring suit against three more of United's subsidiaries. One can only hope that this investigation will lead to equitable reimbursement rates being put into place so that the interests of the patient, and medical professional, are where they should be...first.

Lecture Tour 2008

Starting in 2008, Business Dynamics Limited kicked off our National Lecture Tour all around the United States. We started in Newark, Delaware, and will continue to make our way cross country. We have visited sites in states such as Delaware, Montana, Colorado, Nevada, Florida, Texas, and Arizona. We have had the honor to work with major spinal implant corporations.

We find these lectures are a great tool in communicating with the people out there in the field. We have the opportunity to speak with physicians, coders, office administrators, billers, and pharmaceutical distributors. We are able to personally help each person we come into contact with on a one on one level, answering any questions or issues concerning each individual person or practice. These sessions have also brought many issues and concerns to our attention that we had not been aware of.

We have also been able to help build stronger relationships between spinal implant representatives and consultants and their clients. We have access to many resources and educational materials that have helped each of our participants understand the fundamentals of spine coding and reimbursement, in turn, they become more valuable to their potential and existing clients.

This has been a beneficial experience to us and our lecture participants. We look forward to continuing in our National Lecture Tour 2008, with upcoming events in Minnesota, New York, California, Washington, and Wisconsin. For more

information on participating in, or hosting your own educational seminar, please contact Debra Donohue at 516-294-4118 ext. 1539. We offer both corporate and private sessions, depending on your needs.

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Modifiers Test Matching Columns

Match the modifier on the left with it's descriptor on the right. To get your answers, please call 516-294-4118 ext. 1530.

- | | |
|-----|---------------------------------|
| •50 | Staged procedure |
| •53 | Decision for surgery |
| •57 | Reduced procedures |
| •58 | Co-surgeons |
| •59 | Bilateral procedure |
| •62 | Professional component |
| •26 | Separate identifiable procedure |
| •52 | Discontinued procedure |
| •54 | Postoperative care only |
| •55 | Multiple procedure reduction |
| •51 | Surgical procedure only |

Announcements

At the North American Spine Society's 23rd Annual Meeting, October 14-18, 2008, for the third year in a row, Business Dynamics Limited will be hosting their very own booth. Stop by booth #1004 to find out more about The Successful Spine Coding Course, Maximizing Reimbursement Course, and other ways we can help maximize your productivity.