

Dermatology Coding Alert

2006 RVU Update: Anticipate Gains for Mohs Codes in Proposed Fee Schedule

The bad news: Expect less for debridement, grafts ...quot; up to \$45 less for some procedures

If your practice performs Mohs microsurgery frequently, your reimbursement outlook is good in 2006: Dermatologists performing three-stage Mohs (17304-17306) may earn as much as \$1,183 next year -- \$51 more than the \$1,132 per procedure in 2005.

The news isn't all good, however: You can expect to find less reimbursement in the 2006 [fee schedule](#) for some debridement and graft procedures ...quot; as much as \$45 less in some cases.

Medicare has published its estimated relative value units and conversion factor for 2006, and the results aren't pretty. The proposed RVUs, published in the Aug. 8 Federal Register, indicate that the reimbursement for several common dermatology procedures may decrease next year.

Medicare carriers multiply a procedure's RVUs by a standard conversion factor, set every year by CMS, to determine the reimbursement for that procedure, says **LaDonna Henslee, CPC**, coder for P. Haines Ely, MD, a dermatologist practicing in Grass Valley, Calif. That conversion factor may drop 4.3 percent, from 37.8975 to 36.2679 in 2006, based on estimated figures published in a report, "Estimated Sustainable Growth Rate and Conversion Factor for Medicare Payments to Physicians in 2006."

Expect \$45 Less for Split Grafts

The new conversion factor is only an estimate, the report stresses. "The actual values for 2006 will be based on later data and will be published in the **Federal Register** by Nov. 1, 2005," the report says.

"Substantial growth in spending for the Medicare services involved" is behind the reduction, says **Herb B. Kuhn**, director of the Center for Medicare Management, in a letter to Medicare Advisory Board chair **Glenn M. Hackbarth**, published on the CMS Web site. (Read it at <http://www.cms.hhs.gov/physicians/medpac.pdf>.)

If the estimation proves accurate, based on the published proposed RVUs and the estimated 36.2679 conversion factor, Mohs micrographic chemosurgery will earn dermatologists more in 2006:

Among other common dermatology procedures, in 2006 you may be earning:

- **\$9.16** less for 12001 (Simple repair of superficial wounds of scalp, neck, axillae, external genitalia, trunk and/or extremities [including hands and feet]; 2.5 cm or less)
- **\$9.15** less for 12011 (Simple repair of superficial wounds of face, ears, eyelids, nose, lips and/or mucous membranes; 2.5 cm or less)
- **\$7.37** more for 12031 (Layer closure of wounds of scalp, axillae, trunk and/or extremities [excluding hands and feet]; 2.5 cm or less)
- **\$4.37** more for 12041 (Layer closure of wounds of neck, hands, feet and/or external genitalia; 2.5 cm or less)
- **\$12.49** less for 13150 (Repair, complex, eyelids, nose, ears and/or lips; 1.0 cm or less)

- **\$32.94** less for 13160 (Secondary closure of surgical wound or dehiscence, extensive or complicated).

Note: Estimated fees are based on nonfacility RVUs, unadjusted for geographic location.

Sound off: Medicare will consider comments submitted before 5 p.m. on Sept. 30, 2005. You can submit comments on the proposed rule online at <http://www.cms.hhs.gov/regulations/ecomments>.

Learn more: To see all the proposed RVUs for 2006, download the proposed rule from the Aug.8, 2005, Federal Register at www.access.gpo.gov/su_docs/fedreg/a050808c.html.

