

Dermatology Coding Alert

2006 RVU Update: Prepare for a \$50 Drop in 3-Stage Mohs Reimbursement Next Year

Plus: You may lose \$20 for each complex repair and lesion excision--and gain \$700 with new skin graft codes

Bad news, dermatology coders: The boost in RVUs for Mohs surgery that Medicare hinted at in August didn't materialize in the 2006 fee schedule. Instead, expect your Mohs pay to drop more than \$50 starting in January.

Although the RVUs for many of the most commonly reported dermatology codes have stayed the same--or even gone up slightly--a 4.4 percent drop in Medicare's conversion factor means that your practice will be earning less for most procedures in 2006.

In its final rule, "Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2006," published Nov. 2 in the Federal Register, Medicare announced a 36.1770 conversion factor for next year. Medicare carriers multiply a procedure's RVUs by the conversion factor (CF) to determine the reimbursement for that procedure, says **Denise Vollbrecht, CPC**, dermatology coder for ProHealth Care Medical Centers in Waukesha, Wis.

New Conversion Factor Means Lower Reimbursement

This new figure is a drop of 4.4 percent from the 2005 CF of 37.8975, but the final conversion factor is even lower than Medicare predicted it would be earlier this year. CMS had estimated a 36.2679 CF, based on estimated figures published in a report, "Estimated Sustainable Growth Rate and Conversion Factor for Medicare Payments to Physicians in 2006." (See "Anticipate Gains for Mohs Codes in Proposed Fee Schedule" in the September 2005 Dermatology Coding Alert.)

Bottom line: The RVUs for the Mohs procedures (17304-17306, Chemosurgery [Mohs micrographic technique] ...) are, for the most part, staying put in 2006. But the global allowable fee for 17304 (... first stage, fresh tissue technique, up to 5 specimens) is sinking from \$611.67 in 2005 (16.14 RVUs x 37.8975) to \$584.26 in 2006 (16.15 RVUs x 36.1770)--a loss of \$27.41.

Reimbursement for the second stage (17305) drops from \$259.98 to \$248.17, even though the RVUs remain at 6.86. The third stage (17306) will only reimburse \$248.90, compared to \$260.73 in 2005, based on 6.88 RVUs in both years.

For a breakdown on how other commonly reported codes are affected, see "How Will Your Office's Fees Fare in the New Year?" included with this issue.

CMS has also decided on RVUs for the new skin graft codes CPT 2006 includes (see "Get Ready: Next Year's Manual Shows a Lot More Skin--Skin Grafts, That Is" in the November 2005 Dermatology Coding Alert).

The 2006 national Physician Fee Schedule sets non-facility (NF) and facility (Fac) reimbursement for these new codes:

The final rule, which is awaiting congressional approval, takes effect Jan. 1, 2006. To see the complete ruling (CMS-1502-FC), visit the CMS site www.cms.hhs.gov/physicians/pfs/.

To download the 2006 fee schedule, visit www.cms.hhs.gov/providers/pufdownload/rvudown.asp.



