

## Dermatology Coding Alert

### Evaluation & Management: Think a Patient Must Be "Established" Forever? Think Again

**These myths could be holding back your dermatology practice's E/M claims.**

Whenever a patient sees your dermatologist for an E/M encounter in the office, a first step to determining the appropriate E/M code to report for the visit is knowing if the patient is "new" or "established."

Bust these common myths that will help you overcome coding hurdles and help you better understand the rules for when to report a new patient E/M code and when to use an established patient E/M code.

#### **Myth 1: Patient Once Seen Is Always Established**

**Reality:** This is not true. According to CPT®'s definition, an established patient is one who has received professional services from the physician/qualified healthcare professional or another physician/qualified healthcare professional of the exact same specialty and subspecialty who belongs to the same group practice, within the past three years.

So, if the patient has not visited your clinician or any other physician in your specialty or subspecialty in the same group in the past three years, then you can report the E/M encounter that the patient has with an appropriate new patient E/M code.

**Reimbursement:** Apart from raising red flags for coding wrong between new patient E/M codes and established patient E/M codes, you also stand to lose out on deserved pay if you are reporting an established patient code when you should have reported a new patient E/M code. For instance, you would be foregoing about \$63 in reimbursement under Medicare if you report 99215 instead of 99205. The 2016 non-facility total relative value units (RVUs) for 99205 are 5.82 RVUs while 99215 carries 4.07 total RVUs in the non-facility setting. This translates to a Medicare reimbursement of \$208.38 for 99205 while you will only receive \$145.72 for 99215.

So, you will lose out on deserved pay if you mistakenly report an established patient E/M code when you actually could have reported a new patient code. Hence, whenever your clinician performs an E/M service for a patient that he or anyone in the same specialty within the group has seen before, don't be in a hurry and report an established patient code. Check when your clinician or the other physician has last seen the patient and if the time gap has been more than 3 years, report the encounter with a new patient E/M code.

**Caution:** "Most patients will not be familiar with the CPT® definitions of 'new' and 'established' patients, so if they have come to the practice before, they may think of themselves as 'established,' regardless of how long it has been," says **Kent Moore**, senior strategist for physician payment at the American Academy of Family Physicians. "If you are going to adhere to the CPT® definitions in this situation, it may be helpful to let the patient know in advance of billing that, because you have not seen them in the past three years, they will be considered 'new' at this encounter. That may help avoid unpleasant surprises when the patient gets the bill, especially since new patient visits are priced higher than the corresponding level of established patient visits," Moore adds.

#### **Myth 2: Patient Seen by Any Physician Is Established**

**Reality:** If your practice is a multispecialty practice and the patient has been seen by a physician from a different

specialty within the practice before seeing your dermatologist, you should not necessarily consider that patient as an established patient. If the patient has seen a physician from another specialty in the past three years but has not received services from your dermatologist or any other dermatologist in the group in the past three years, then the patient should be considered "new" and not "established" when they see the dermatologist.

The definition of established patient includes the phrase "exact same specialty and subspecialty who belongs to the same group practice." That means that if the patient is seeing physicians from different specialties within the group in a three year span, then the patient may be a "new" patient for one physician in a given specialty even though he has seen a physician from another specialty in the group.

"This is another area in which a patient's lack of knowledge of the CPT® definitions may necessitate deviating from what is technically permissible to code for the sake of patient relations," Moore says. "Explaining to a patient that they are 'new' because they saw a dermatologist today and a cardiologist in the same practice two years ago will be difficult, bordering on impossible. To avoid patient disgruntlement and potential bad word of mouth about the practice, it may be preferable to code the encounter with the dermatologist as 'established,' even though that is technically incorrect and results in lost income to the practice for that encounter."