

Dermatology Coding Alert

FEBRUARY'S RECIPE FOR BILLING SUCCESS ~ Follow 3 Tips to Ensure Your Radiology Revenue Doesn't Evaporate

It's a tough time to provide and bill for in-office imaging scans -- and you need to get tough to cope with it.

The crunch: Medicare still imposes a 25 percent cut on the technical component (TC) of extra scans on contiguous body parts. And now, Medicare will apply a limit to those reduced payment amounts that caps them at the outpatient payment level.

Don't forget: The cuts only affect the TC of imaging codes, says **Stacie Buck**, vice president of Southeast Radiology Management in Stuart, Fla. So if you only bill for professional services, you won't notice any difference. And if you bill professional services in addition to office billings, "the pinch won't be quite as bad," she says.

Doctors performing services in their offices and billing globally, without professional service contracts, will be hardest hit, Buck says. Also suffering will be independent diagnostic testing facilities (IDTFs). The cuts may put some providers, mainly IDTFs, out of business, Buck says.

Watch out: Other payers have started following Medicare's payment policies, Buck adds, and this trend could snowball. Also, if your providers have contracts with private payers that base payments on a percentage of the Medicare allowed rate, you will take an automatic hit.

"Providers of radiology services are being forced to examine ways on how to make their operation more efficient and also to reduce overhead," Buck says. This is especially challenging as costs go up every year.

She and other experts offer the following tips on adapting to the harsh new imaging environment:

- **Consider spending more money to save money.** "The newer CT scanners produce better images in a small fraction of the time that older machines achieved," says **Jeff Fulkerson** with Emory Healthcare in Atlanta. So if you used one of the newer machines, you could serve a much higher number of patients in the same timeframe. But Buck says the money "won't be there" for most providers to invest in new equipment.
- **Work on coverage issues.** Keep an eye out for situations in which medical necessity doesn't jibe with your contractor's local coverage determinations (LCDs). If your doctor is submitting and you're billing using diagnoses that are clinically appropriate but not listed in the LCD, you should submit supporting documentation, get the patient to sign an advance beneficiary notice (ABN) and ask the contractor to accept those diagnosis codes. That way, you can bill for imaging scans in more cases, as long as they're clinically justified.
- **Consider ditching your Medicare business.** Some providers that do in-house imaging refer Medicare patients to free-standing centers or hospitals, rather than deal with Medicare reimbursement issues, says **Michael Fleischman** with Gates, Moore & Co. in Atlanta.