

Dermatology Coding Alert

News You Can Use: Prepare for E/M Payment Boost--but Losses for Other Codes

Higher-level codes are biggest winners

Not all CPT codes will see a significant change in their work relative value units next year, if a new proposal goes through.

E/M bonanza: The Centers for Medicare & Medicaid Services proposed to increase work RVUs for E/M codes and decrease work RVUs for most other codes in a June 29 Federal Register notice. But in fact, only higher-level E/M codes will see real increases.

Look for Boosts in Office Visits, Consults

New patient office visit codes 99201-99203 will stay the same, and so will established patient visit codes 99211-99212. You'll only see a boost next year for a level-four-or-higher new patient visit or a level-three-or-higher established patient visit.

All of the office consult codes will see increases except for the lowest-level code, 99241. Instead of changing work RVUs for nursing home or rest home visit codes, CMS referred those codes to the CPT Editorial Panel for changes to their descriptors.

Understand New PE-RVU Formula

Ten percent cut: To cover the cost of increasing work RVUs for E/M codes (and some procedures), CMS plans to cut all work RVUs by 10 percent across the board. This "budget neutrality adjustment" will affect every code that has physician work RVUs. And CMS says there may be further "adjustments" announced later this year.

Practice expense RVUs: CMS plans to change how it calculates practice expense RVUs (PE-RVUs). CMS would apply a "bottom-up" method using data about how much it costs to do each individual procedure. It would calculate indirect expenses differently and use survey data from allergists/immunologists, cardiologists, dermatologists, gastroenterologists, radiologists, radiation oncologists, urologists and independent diagnostic testing facilities. And CMS would scrap the nonphysician work pool, paying for codes with no physician work using its regular practice expense methodology.

This PE-RVU transition would happen over the next four years. CMS spends \$30 billion on PE-RVUs, or about 45 percent of physician payments.

Beware: This new method of calculating practice expense RVUs will mean sharp decreases for some procedures as well, says **Dori Rodriguez**, business office manager for a practice in Lincoln, Neb. "The PE-RVU changes are very scary to us," Rodriguez says.

Expect Less for Debridements, Excisions

Skin debridement codes 11040 (Debridement; skin, partial thickness), 11041 (... skin, full thickness) and 11042 (... skin, and subcutaneous tissue) will see their work RVUs drop about 25 percent, though specialty societies had requested an increase.

Face excision codes 11641-11642 (Excision, malignant lesion including margins, face, ears, eyelids, nose, lips ...) will see similar cuts.

Lesion destruction codes +17003 (Destruction [e.g., laser surgery, electrosurgery, cryosurgery, chemosurgery, surgical curettement], all benign or premalignant lesions [e.g., actinic keratoses] other than skin tags or cutaneous vascular proliferative lesions; second through 14 lesions, each ...) and 17004 (... 15 or more lesions) will drop, with 17003 nearly halved.