# ED Coding and Reimbursement Alert

## Part B Payment: See How the Proposed 2019 Fee Schedule Could Impact Your ED

**CMS proposes vast changes, but EDs are spared from the biggest impact.**

If you've heard the buzz about CMS proposing major changes to how E/M codes are documented, billed, and paid, it's possible that you're either delighted or nervous - but emergency departments can rest easy for now, since most of the biggest changes only impact physician offices.

**Background:** CMS released its proposed Medicare Physician Fee Schedule (MPFS) for 2019 on July 12, and it includes what the agency is calling "historic" E/M documentation changes to the outpatient office visit codes (99201-99215). In addition to proposing documentation changes for those codes, CMS is proposing a "new, single blended payment rates for new and established patients for office/outpatient E/M level 2 through 5 visits and a series of add-on codes to reflect resources involved in furnishing primary care and non-procedural specialty generally recognized services," the agency said in a Fact Sheet about the change.

This would mean that payments for office level five codes would go down, while pay for level two codes would go up. Practices that report a lot of level five codes would be likely to lose money, but some practices would see gains, says **Cyndee Weston, CPC, CMC, CMRS,** executive director of the American Medical Billing Association (AMBA) in Davis, Oklahoma.

Again, these updates will impact outpatient office visit codes, which means urgent care centers would be affected, but EDs would not. However, that doesn't mean you shouldn't pay attention to the changes that are being proposed.

**Know How This Could Impact EDs**

Although office-based codes are the only codes being suggested for changes in the proposal, the news is relevant to EDs, says **Michael Granovsky, MD, FACEP, CPC,** President of LogixHealth, a national ED coding and billing company based in Bedford Massachusetts.

"Each time CMS makes big changes, it telegraphs what might happen in the future," Granovsky said. "As we look at the possibility of expanding that process to emergency department, it's not as likely to happen. The ED is more complex, and there's a combination of medical/legal issues and conditions of participation issues with the hospital that the rule called out as challenges to changes that could impact the ED code set."

**Look to the past:** One way to potentially predict what could happen in the future is to look back at past changes that CMS has made. Four years ago, CMS collapsed the facility side payments, creating a single G code, G0463 (Hospital outpatient clinic visit for assessment and management of a patient), which crosswalked to a single APC, 0634, and on the facility side, there's now only a single payment level. "The ED facility payment system was similarly considered for a code collapse several years ago, but the feeling was it penalized the high-resource EDs too much and they weren't able to successfully collapse the ED levels from five to fewer at that time," Granovsky said. "I think the same issue would make it harder to collapse ED codes into single payment level now."

**Here's why:** An 11,000 annual visit ED located in a rural area may have an E/M distribution with more level twos and threes and fewer fours and fives than the big hospital 100 miles away, where the rural hospital transfers its sickest patients. And that big hospital may accept patients from 10 surrounding rural hospitals, therefore seeing more complex patients than the smaller facilities. "How would we recognize the resources that are brought to bear - the intensity, the time, the complexity of those patients with a single level?" Granovsky asks.

If the payment system were to penalize the highest acuity hospitals by paying them the same as facilities that perform less complex services, they could end up going out of business. "We would have nowhere to send the sickest patients - blunt trauma doesn't discriminate, - everybody that lives in the country needs our trauma system to be intact," Granovsky said.

Therefore, even though CMS hasn't made proposals to ED codes this year, it's something to keep an eye on going forward. In the proposal, CMS does state, "We are not proposing any changes to the emergency department E/M code set or to the E/M code sets for settings of care other than office-based and outpatient settings at this time. However, we are seeking public comment on whether we should make any changes to it in future years, whether by way of documentation, coding, and/or payment and, if so, what the changes should be."

Because CMS does mention EDs in that verbiage, along with the phrase "at this time," it opens the door to future proposals impacting emergency departments. Stay tuned to future issues of ED Coding Alert to ensure that you stay on top of any changes.

**Resource:** For a closer look at the MPFS proposed rule for 2019, visit https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-14985.pdf.