

Internal Medicine Coding Alert

2003 Medicare Physician Fee Schedule:

Cut Through the Confusion to Maximize Your Reimbursement

Send your claims to Medicare quickly, avoid using new 2003 codes as much as possible, and keep a close watch on Congress. Those are the key recommendations of coding experts for keeping Medicare payments flowing to your office during the coming month.

CMS has finally released the 2003 Medicare Physician [Fee Schedule](#), but the voluminous document and subsequent carrier communications have raised many questions for coders and internists. Many are unsure how the across-the-board 4.4 percent decrease in the fee schedule will affect their practices, when the cut takes effect, how to file claims prior to the effective date, how to bill new/revised CPT and HCPCS codes and whether Congress might nullify the decrease before it takes effect.

Cuts Take Effect March 1

One cause of confusion is a "Dear Doctor" letter that internists should have received by Jan. 9, which confounded many by specifying a deadline for deciding participation status that was already past Dec. 31 and giving an effective date of Jan. 1 for the 2003 fee schedule.

"The new Medicare payment schedule actually goes into effect March 1, and you have until Feb. 28 to decide on your participation status," says **Brett Baker**, third-party payment specialist for the American College of Physicians-American Society of Internal Medicine (ACP-ASIM) in Washington, D.C.

CMS told ACP-ASIM that it prepared the letter in advance, then did not correct the dates when the fee schedule was delayed, Baker says. CMS will not be sending a corrected letter, but is instead directing doctors and coders to carriers' Web sites for correct information, Baker says.

Internists' Fees Decrease Nearly 5 Percent

The overall decrease in physician fees in the 2003 schedule is 4.4 percent, but the amount your fees decline will depend on the CPT and HCPCS codes you use most often and whether the relative value units (RVUs) for them have changed. A preliminary analysis indicates that internists, who perform many E/M services, will see a decrease closer to 5 percent, according to **Sherry Wilkerson, RHIT, CCS, CCS-P**, coding and compliance manager at Esse Health, a multispecialty practice in St. Louis.

"We're talking a \$2-to-\$4 difference on average on E/M codes," Wilkerson says.

For example, the Medicare allowable in the St. Louis metropolitan area for 99213, a mid-level E/M visit for an established patient, drops from \$48.46 in 2002 to \$46.30 (-4.5 percent) in 2003, while the allowable for another commonly used code, the higher-level 99214, decreases from \$76.12 to \$72.41 (-4.9 percent) under the 2003 schedule, Wilkerson says. The Medicare allowable for the annual nursing-home assessment code 99301 drops from \$68.17 in 2002 to \$64.82 (-4.9 percent) in 2003 in the St. Louis area.

Payment for Flu Shots Gets Healthier

Internists will find one bright spot in the fee schedule. "The final rule nearly doubles the Medicare payment for administration of some vaccine immunizations, including flu shots, from \$3.98 to approximately \$7.26," CMS Administrator **Tom Scully** says in a statement issued in connection with the release of the 2003 fee schedule.



Be sure to note that this increase in reimbursement applies only to the administration codes for influenza, pneumococcal and hepatitis B vaccines (G0008, G0009 and G0010), and not to the codes for the vaccines, says **Lisa Johnson, CPC, CCS-P**, senior consultant at Gates, Moore & Co., a healthcare consulting company based in Atlanta.

Your reimbursement may vary from the amounts given above because Medicare's national reimbursement amounts are adjusted geographically to reflect economic climates in different areas of the country.

File Your Claims Quickly

Medicare says it will pay for services you provide to patients in January and February at the higher 2002 **Physician Fee Schedule** amount if it processes the claim prior to March 1, the effective date for the 2003 fee schedule. If Medicare processes your claim for January and February services on March 1 or later, it will reimburse according to the 2003 fee schedule, then do an adjustment in July to make up the difference between 2002 and 2003 rates.

"That's going to be a nightmare for offices to process," Wilkerson says. "I would suggest getting your charges in as soon as possible."

Doing so should result in your having to post July adjustments only on claims from late February, but even that will be time-consuming, Wilkerson says.

This two-stage payment method also increases the risk of errors, Johnson notes.

"I would advise tracking your January and February payments carefully to make sure you are paid correctly," Johnson says.

With the decrease in reimbursement, Medicare expects more physicians to opt out as participating providers in 2003. It's not clear from CMS communications if Medicare will attempt in the July adjustments to recover additional reimbursement paid in January and February to internists who are participating providers in 2002 but elect to become nonparticipating providers for 2003, Baker says.

Those who are considering their participation status may wish to read a comparison of reimbursement for participating and nonparticipating providers on the ACP-ASIM Web site at http://www.acponline.org/hpp/med_options03.htm?hp.

Wait to Change "Expected" Amounts

In releasing the new schedule, Scully noted that the fee decrease results from a formula specified in the Medicare law "and we believe that formula is flawed and must be fixed." He said that only Congress can change the formula.

Bills are now before Congress that, if approved, would stop the 2003 Medicare Physician Fee Schedule from taking effect. Although such quick action is unlikely, Congress could void the 2003 schedule before its March 1 effective date. So wait until as late as possible in February to enter new "expected" charges for the 2003 Medicare fee schedule in your computer system, Wilkerson advises. Stay up-to-date on what is happening with the issue in Congress, she and Johnson recommend.