Internal Medicine Coding Alert

Put Your Thinking Cap on When Coding Diagnosis for Dementia Assessments

Diagnosis codes used in coding dementia assessments can have a major impact on patients'treatment options and your reimbursement.

Physicians need to take care in selecting diagnosis codes and be sure to code all appropriate diagnoses to justify the complexity of the encounter, says **John E. Morley, MD,** director of the Division of Geriatric Medicine at St. Louis University School of Medicine and editor of the Journal of Gerontology: Medical Sciences. For example, if the patient has multiple diseases such as diabetes and hypertension, in addition to the dementia they will be part of your assessment of the patient and should be used as diagnoses, he says.

You should only code diagnoses that apply to the patient, but Morley notes that you will generally secure higher reimbursement with a diagnosis of Alzheimer's disease (331.0) than with a more general cognitive complaint.

That's because ICD-9 classifies Alzheimer's disease as a medical diagnosis, while it considers senile dementia (290 series) a mental disorder and Medicare reduces the allowable amount for mental-disorder codes to 62.5 percent of the allowable amount for medical codes. Because Medicare reimburses 80 percent of that reduced amount, your reimbursement for E/M services tied to a senile dementia diagnosis drops to 50 percent of the Medicare allowable compared to 80 percent for a medical code, such as Alzheimer's disease, says **David S. Geldmacher, MD,** an associate professor of neurology at the University of Virginia in Charlottesville.

Although Medicare says the other 50 percent is the patient's responsibility, in practice many doctors don't receive the additional co-pay because of the difficulty of the collection process, says Geldmacher, one of the coauthors of a November 2002 story on coding for dementia and related disorders in the Journal of the American Geriatrics Society (JAGS).

Physicians and coders should check with their carriers to determine their reimbursement policies for the 290 series because individual carriers and private payers may have different interpretations, Geldmacher says. If your payer reimburses the 290 series at the lower mental-disorder rate, you should recoup the normal 80 percent CPT code reimbursement if senile dementia is your secondary diagnosis behind, for example, hypertension, the JAGS story notes.

For treatment reasons as well as reimbursement reasons, the physician should make a strong effort to pinpoint the cause of the dementia, says **Wayne C. McCormick, MD,** a board-certified internist and geriatrician who is an associate professor of medicine at the University of Washington department of medicine in Seattle.

Physicians can make a fairly certain Alzheimer's diagnosis by ruling out other causes of dementia, McCormick says. The second most common cause after Alzheimer's disease is vascular dementia (290.4x), a form of dementia resulting from inadequate blood flow to the brain caused by arteriosclerotic disease. Other forms include dementia related to alcohol abuse.

An older patient who has dementia but no history of stroke or alcoholism and has a normal or close-to-normal computed tomography (CT) or magnetic resonance imaging (MRI) scan statistically has more than a 90 percent probability of having Alzheimer's, McCormick notes. "It's a diagnosis of exclusion," he says.

When a patient fits the above scenario, physicians should make the diagnosis of Alzheimer's disease, McCormick says, not just because it may increase reimbursement but also because drugs can be prescribed that help patients with this

CPT® 2023 American Medical Association. All rights reserved.

diagnosis improve their cognitive processes and their functionality. Many insurance companies will not cover a patient's prescription for cholinesterase inhibitors which show promise in treating Alzheimer's disease unless the doctor has made that specific diagnosis, Geldmacher says.

CPT® 2023 American Medical Association. All rights reserved.