

Optometry Coding & Billing Alert

2005 RVU Update: Look Forward to a 23 Percent Boost in A-Scan Fees

Check out this analysis for the lowdown on where you'll gain - and lose

The good news: You'll be seeing a 1.5 percent increase in payments across the board for physician services next year, as well as significant increases in the relative value units (RVU) for several optometric procedures such as A-scans and B-scans. The bad news: You'll also be seeing some reductions in RVUs for some other common procedures.

Medicare has finalized the 2005 Physician Fee Schedule, with updated RVUs for many procedures and a 1.5 percent increase in the conversion factor, which is rising to 37.8975 from the 2004 value of 37.3374. Medicare multiplies the RVUs for a procedure by the conversion factor to arrive at the allowable reimbursement for that procedure.

Example 1: In 2004, Medicare assigned 2.86 total RVUs to 76511 (Ophthalmic ultrasound, echography, diagnostic; A-scan only, with amplitude quantification) performed outside a hospital or other facility (e.g., in the office). Multiplied by the conversion factor of 37.3374, that yielded \$106.78 in reimbursement. In 2005, Medicare gives 76511 3.47 nonfacility RVUs, which, multiplied by the new conversion factor of 37.8975, brings in \$131.50 - a 23 percent increase.

Example 2: In 2004, 67820 (Correction of trichiasis; epilation, by forceps only) is worth \$76.54 (2.05 RVUs times 37.3374). In 2005, however, that will drop to \$57.98 (1.53 RVUs times 37.8975) - a 24 percent drop in reimbursement.

That change doesn't surprise **Carolyn Read**, office manager for Vision Care Associates in Macon, Mo. The procedure "isn't as hard to do as some of the others," she says, noting that at one time she thought it was overvalued.

You will also see a net increase in the RVUs for many commonly reported evaluation and management codes. In some cases the RVUs will decrease but, overall, reimbursement will be offset by the increase in the conversion factor.

Note: For more information on the new fee schedule's effect on specific optometry and E/M codes, see "Chart the Changes to 2005 RVUs That Will Have the Greatest Impact on Your Bottom Line" this issue.

Determine Overall Reimbursement With GAFs

Medicare adjust fees depending on the practice's geographic location according to the relative cost of providing healthcare in that area. About half of the 92 geographic areas defined by Medicare will see increases in their geographic adjustment factors (GAFs) in 2005. The rest will either not change or decrease.

Example: The GAF for Santa Clara, Calif., will rise 3.4 percent, from 1.184 in 2004 to 1.224 in 2005. Meanwhile, in Manhattan, the GAF will shrink 1.8 percent, from 1.225 to 1.203.

Attention, Billers: It's not crucial for you to memorize conversion factors and GAFs, says **Joan Heimark**, billing manager for Family Vision Care in Missoula, Mont.

For Medicare claims, she bills services without multiplying the RVUs. As long as Medicare allows the service, you should be all set, she says.

Do this: To download a copy of the 2005 fee schedule, as well as a list of the 2005 GAFs, visit <http://www.cms.hhs.gov/regulations/pfs/2005/1429fc.asp>. The final rule is scheduled for the Nov. 15 Federal Register.

