

Optometry Coding & Billing Alert

2006 RVU Update: Brace Your Bottom Line for Lower Post-Op Cataract Care Reimbursement

Medicare's 4.4 percent fee reduction also means \$5 less for each B-scan and comprehensive new patient eye exam

Although the RVUs for many of the most commonly reported ophthalmic codes have stayed the same--or even gone up slightly--a 4.4 percent drop in Medicare's conversion factor means that your practice will be earning less for most procedures in 2006.

In its final rule, *-Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2006-*, published Nov. 2 in the Federal Register, Medicare announced a 36.1770 conversion factor for next year. Medicare carriers multiply a procedure's RVUs by the conversion factor (CF) to determine the reimbursement for that procedure.

This new figure is a drop of 4.4 percent from the 2005 CF of 37.8975, but the final conversion factor is even lower than Medicare predicted it would be earlier this year.

CMS had estimated a 36.2679 CF, based on estimated figures published in a report, *-Estimated Sustainable Growth Rate and Conversion Factor for Medicare Payments to Physicians in 2006-*. (See *-Brace Yourself: Proposed Schedule Slashes Fees for Most Eye Procedures-* in the September 2005 Optometry Coding & Billing Alert.)

Bottom line: Expect to see about \$6 less for each postoperative cataract patient in 2006--even though the RVUs for most codes are staying the same.

Example: The global allowable for 66984 (Extracapsular cataract removal with insertion of intraocular lens prosthesis [one-stage procedure], manual or mechanical technique [e.g., irrigation and aspiration or phacoemulsification]) is sinking from \$683.67 in 2005 (18.04 RVUs x 37.8975) to \$652.63 in 2006 (18.04 RVUs x 36.1770).

The total allowable for postoperative care is 20 percent of the global amount. This means that the total postoperative allowable for 66984 is dropping from \$136.73 (20 percent of \$683.67) to \$130.53 (20 percent of \$652.63).

Other affected optometry procedures include:

The final rule, which is awaiting Congressional approval, takes effect Jan. 1, 2006. To see the complete ruling (CMS-1502-FC), visit www.cms.hhs.gov/physicians/pfs/.