

## **Optometry Coding & Billing Alert**

### **Billing Update: New Conversion Factor Announced**

#### **Optometrists break even as work RVUs are cut, conversion factor increases**

Thanks to the Medicare Prescription Drug and Improvement Act, which Congress approved Nov. 25, the conversion factor, which was 36.7856 in 2003, will rise to 37.3374 in 2004. Despite earlier reports of a 4.5 percent conversion factor decrease, CMS announced a last-minute increase, raising the conversion factor by 1.5 percent for 2004 and 2005.

This is particularly good news for optometrists, because CMS did not increase the relative value units (RVUs) for most optometry procedures. In fact, Medicare decreased the RVUs for many services and did not change the RVUs for most others. For instance, the nonfacility RVU for 92140 (Provocative tests for glaucoma, with interpretation and report, without tonography) is down from 0.99 to 0.94.

The last-minute 1.5 percent increase comes as optometry practices are experiencing a down year. According to a Review of Optometry survey, ODs had seen a steady rise in income until this year. Independent ODs earned an average salary of about \$114,000 this year, down 5 percent from \$120,000 in 2002. And, employed optometrists saw their income shrink 4 percent, from \$110,000 last year to \$106,000 this year.