

Optometry Coding & Billing Alert

News You Can Use: Prepare for Gain to E/M Codes And Loss to Most Other Codes

Higher-level E/M codes are biggest winners

Not all evaluation and management codes will see a significant change in their work relative value units next year, if a new proposal goes through.

E/M bonanza: The Centers for Medicare & Medicaid Services proposed to increase work RVUs for E/M codes and decrease work RVUs for most other codes in a June 29 Federal Register notice. But in fact, only higher-level E/M codes will see real increases.

Look for Boosts in Office Visits, Consults

New office visit codes 99201-99203 will stay the same, and so will established visit codes 99211-99212. You'll only see a boost next year for a level-four-or-higher new visit or a level-three-or-higher established visit.

All of the office consult codes will see increases except for the lowest-level code, 99241. Instead of changing work RVUs for nursing home or rest home visit codes, CMS referred those codes to the CPT Editorial Panel for changes to their descriptors.

Understand New PE-RVU Formula

Ten percent cut: To cover the cost of increasing work RVUs for E/M codes (and some procedures), CMS plans to cut all work RVUs by 10 percent across the board. This -budget neutrality adjustment- will affect every code that has physician work RVUs. And CMS says there may be further -adjustments- announced later this year.

Practice expense RVUs: CMS plans to change how it calculates practice expense RVUs (PE-RVUs). CMS would apply a -bottom-up- method using data about how much it costs to do each individual procedure. It would calculate indirect expenses differently and use survey data from allergists/immunologists, cardiologists, dermatologists, gastroenterologists, radiologists, radiation oncologists, urologists and independent diagnostic testing facilities. And CMS would scrap the nonphysician work pool, paying for codes with no physician work using its regular practice expense methodology.

This PE-RVU transition would happen over the next four years. CMS spends \$30 billion on PE-RVUs, or about 45 percent of physician payments.

Beware: This new method of calculating practice expense RVUs will mean sharp decreases for some procedures as well, says Dori Rodriguez, business office manager for a practice in Lincoln, Neb. -The PE-RVU changes are very scary to us,- Rodriguez says.

Expect 5 Percent Decrease by 2010

A number of specialties will take the brunt of the impact from coming changes to work and practice-expense RVUs, according to CMS.

Check the chart below for how optometrists will feel the effect of work RVU changes next year, practice expense changes in 2007 and 2010, and the total effect of all RVU changes in 2010, after the transition to the new -bottom-up- method for

calculating PE RVUs is complete.

To see all the proposed changes, go online to www.cms.hhs.gov/PhysicianFeeSched, click -PFS Federal Regulation Notices- and select -CMS-1512-PN.-

