

Part B Insider (Multispecialty) Coding Alert

INDUSTRY NOTES: Value Anesthetic Add-Ons Properly, CMS Tells Carriers

Carriers must recognize both base units and time units for primary and add-on anesthesia codes, the **Centers for Medicare & Medicare Services** instructs in transmittal B-03-017.

Some third-party payers have different policies for handling time units for obstetrical anesthesia than for other [anesthesia codes](#). CMS is worried that carriers' systems may consequently undervalue the time units of obstetrical add-on codes.

Medicare uses an arcane formula to pay for anesthesia codes. It pays for the code-specific base unit value plus anesthesia time units multiplied by a locality-specific anesthesia conversion factor, CMS explains. If a physician performs more than one anesthesia service, carriers must base payment on the service with the highest base unit and anesthesia time.

The newest Current Procedural Terminology includes add-on codes for anesthesia for burn excisions, debridement or obstetrical anesthesia.

1. The next package of Correct Coding Initiative edits, effective July 1, will be available May 1, according to CMS transmittal B-03-018.
2. **Programs such as smoking cessation and management** of diabetes and cholesterol improve patients' lives, but the "business case" for such programs remains weak, according to a new report by the **Commonwealth Fund** in New York. Physicians and hospitals that invest in such programs risk losing money, and the Fund calls for changes in health care payment policies to reward providers that develop health care improvement programs.

For example, the study cites a Seattle smoking cessation program launched by **Group Health Cooperative of Puget Sound**, which cut smoking by 30 percent and lowered the costs of morbidity and disability in the long term. But the health plan was unable to realize a "predictable, measurable return" on its investment.

3. **Physicians providing enhanced external counterpulsation therapy realized a bonanza** in the 2003 physician fee schedule, announced Westbury, NY-based manufacturer **Vasomedical Inc.** Instead of the expected 27 percent increase in payments for the therapy, physicians won a 35 percent increase, bringing the average payment level to \$207.84 per session. The average rate for the therapy has gone up 60 percent over the past three years.
4. **A New Jersey lawmaker introduced a bill to crack down on physicians** who practice in the state for months or years after being banned from practicing in other states. Assemblyman **Eric Munoz** (R-Union), a trauma surgeon, told the New Jersey Record that his bill would require the state Board of Medical Examiners to ban a doctor for practicing temporarily within 30 days of learning another state had revoked his or her license.