

Part B Insider (Multispecialty) Coding Alert

Physician Notes: "Clinical Examples" Showdown Scheduled For Late April

How do you quantify a subjective description?

The **American Medical Association** continues to work its way forward on plans to use "clinical examples" instead of the 1995 and 1997 coding guidelines for evaluation and management coding.

The AMA's E/M taskforce met recently to review the preliminary survey results from the 11 specialty groups that were considering the examples that had been posted to the AMA's Web site last fall. The taskforce will make a report to the full CPT editorial panel in April, and the panel will review the results, AMA official say.

But the effort hit another speed bump, according to knowledgeable sources, when the **Centers for Medicare & Medicaid Services** asked for more information on how to quantify clinical examples as a means of setting E/M levels. "It kind of threw them for a loop," one source says.

If you're providing enteral nutrition, you should brace yourself for slashes to Medicare payment rates.

That's what will happen if the **HHS Office of Inspector General** gets its way. The Medicare program would have reduced payments for enteral nutrition by \$82 million in 2001 if payment rates had been set at the median of purchase prices reviewed by the OIG in a recent report.

Medicare spent \$201 million on Category I enteral nutrition (code B4150) in 2001. The OIG surveyed 177 contracts' product prices from a national wholesaler, a group purchasing organization and a supplier who negotiated directly with an enteral nutrition manufacturer.

The findings: Medicare's reimbursement rate of \$0.61 in 2001 exceeded median contract prices by 70 to 115 percent, the OIG says.

The proposal: The OIG calls for CMS to use its inherent reasonableness authority to cut payment rates for the product.

CMS actually proposed a 16 percent cut to Category I enteral nutrition rates back in 1998. But Congress suspended CMS' IR authority in 1999, so the cuts never took place.

It looks likely that CMS is sharpening its knives for enteral nutrition cuts again. It agrees with the OIG that it should consider the products for IR cuts, CMS says in its response to the draft report.

But cuts will have to wait until CMS gets its IR procedures in place. Although an interim rule restored CMS' IR authority in February 2003. CMS is still working with a contractor on developing and finalizing its IR protocol, it says.