

Eli's Rehab Report

News Brief: 2003 Conversion Factor Increased By 1.6 Percent

Although CMS cut the fully implemented nonfacility RVU for 20600* (Arthrocentesis, aspiration and/or injection; small joint or bursa [e.g., fingers, toes]) slightly from 1.39 in 2002 to 1.38 in 2003, a new conversion-factor adjustment allows physiatrists to collect more joint injection reimbursement this year than last.

Thanks to a last-minute congressional move, CMS raised the 2003 conversion factor about 1.6 percent effective March 1, bringing it slightly higher than where it stood in 2002. In some instances, this makes up for the RVU cuts that physiatrists took on several procedures this year.

According to the U.S. Department of Health and Human Services (HHS) Final Rule published in the Feb. 28 Federal Register, CMS raised the conversion factor to \$36.79 for services rendered on or after March 1.

Although the 2002 conversion factor stood at \$36.20, CMS previously announced that it would reduce the 2003 conversion factor to only \$34.59 a 4.4 percent decrease. Fortunately, PM&R practices need not face this grim reduction after all.

"The action CMS is taking today will ensure that the doctors who treat Medicare patients will see an increase in the payments they get for those services, rather than the reduction previously anticipated," said HHS Secretary Tommy Thompson in a Feb. 26 statement.

Medicare Program Memorandum AB-02-181 states that claims for dates of service Jan. 1 through Feb. 28 "billed with 2002 [HCPCS Codes](#) but paid at the 2003 rates will automatically be adjusted after July 1, 2003." Therefore, if your carrier reimburses your January and February 2003 claims using 2003's \$36.79 conversion factor instead of the appropriate rate of \$36.20, you will receive a refund request for the difference after July 1.

For instance, the EMG code 95861 (Needle electromyography; two extremities with or without related paraspinal areas) carries a work RVU of 1.54 both in 2002 and 2003. If you performed this service in January 2003 but billed it after March 1, your carrier will reimburse you about \$57, based on the 2003 conversion factor. You should have received only \$56, however, because the carrier should process January and February claims using the 2002 conversion factor. Your carrier will, therefore, send you a refund request for the \$1 difference after July 1.

For more information, visit the CMS Web site at www.cms.gov.