

Outpatient Facility Coding Alert

Final Rule: Get The Full Scoop on CMS Final Rule for Nasal Endoscopies

Big changes are on the way for the 2020 CY.

On November 15, 2019, the Centers for Medicare & Medicaid Services (CMS) finalized its proposal to apply the special rule, previously designated for colonoscopy code families, to nasal endoscopic procedures.

Beginning as soon as the 2020 CY, CMS will change its reimbursement policy for sinus endoscopic procedures. Specifically, CMS will apply the special rules for multiple endoscopic procedures to a broad range of sinus endoscopy services. These special rules will drastically impact the way physicians are reimbursed for endoscopic sinus surgeries.

Read further for a breakdown of this final rule policy and how it will impact your provider's bottom line.

See What the Endoscopic Special Rule Entails

CMS prefaces by explaining that in previous issues of the Federal Register, CMS proposed this idea of incorporating a special rule on multiple endoscopic procedures to little or no reception from the general public. While the proposal may have flown under the radar then, it's stirring up plenty of discussion this time around. In order for you to fully compute what this proposal means for your physician's reimbursement for nasal and sinus endoscopic services, you need a little background on what the special rules for multiple endoscopic procedures means.

CMS outlines these special rules in the MLN Matters article #MM7587. In this article, CMS explains its approach in reimbursement using the special rules for multiple endoscopic procedures.

Note: While the title of the article addresses critical access hospitals (CAHs), the provider types affected include physicians and providers as well as CAHs. More detail can also be found in the Medicare Claims Processing Manual, Chapter 12 (Physicians/Nonphysician Practitioners), Section 40.6 (Claims for Multiple Surgeries).

Know When to Apply Special Versus Multiple Surgery Rules

First, when handling two or more endoscopic services, you establish whether the procedures are related. For two or more unrelated endoscopic services, you may bypass the special rules and apply the traditional multiple surgery rules where the highest-valued endoscopy is paid in full and the subsequent endoscopies are paid at a 50 percent rate.

When working with two or more endoscopic procedures that are related, you've got to then determine the base code. However, when determining the base code, you are not identifying which codes are indented beneath a standalone code. Rather, CMS identifies a code range and then establishes a base code for that given code range. With respect to sinus endoscopic services, CMS is outlining the code range 31231-31298 as codes eligible for the special rules on endoscopic procedures. Furthermore, the base code for each of these respective procedures is 31231 (Nasal endoscopy, diagnostic, unilateral or bilateral (separate procedure)).

With that information in mind, you've now got to consider how the establishment of this base code will influence reimbursement on multiple related sinus endoscopic procedures. In contrast to the multiple surgery payment reduction for the lower-value codes, you will receive full reimbursement for the highest-value code and split the difference between the lower value code(s) and the value of the base code. After you've split the difference, you will proceed with the multiple procedure rules.

Consider This Otolaryngology-Specific Example

Have a look at the following example to bring the point home. Consider a scenario where the surgeon performs the

following three procedures with modifier 50 (Bilateral Procedure) appended:

- 31296-50 (Nasal/sinus endoscopy, surgical; with dilation of frontal sinus ostium (eg, balloon dilation))
- 31297-50 (...with dilation of sphenoid sinus ostium (eg, balloon dilation))
- 31254-50 (Nasal/sinus endoscopy, surgical with ethmoidectomy; partial (anterior)).

In the context of the special rules, you should consider these three procedures related because the endoscopic route of entrance is the same among all three codes.

Here, you've got three related procedures that will be subject to the special rules on endoscopic procedures. First, you'll address the highest-value code, 31296, with a value of \$2,031.16. As a bilateral service, you'll calculate as follows:

- $\$2,031.16 \times 1.5 = \$3,046.74$.

"Note that some insurance payers may pay 50 percent of the second side for 31296 for a total reimbursement of \$2,538.95 instead of \$3,046.74," relays **Jennifer M. Connell, CPC, COC, CENTC, CPCO, CPMA, CPPM, CPC-P, CPB, CPC-I, CEMA, CEMC**, owner of E2E Health Solutions in Victoria, Texas.

Next, you'll take the value of code 31297 (\$1,990.44) and split the difference between the value of the base code 31231 (\$205.06) to reach \$1,785.38. You'll then perform the following multiple procedure (50 percent reduction) rule and bilateral procedure calculations:

- $(\$1,785.38 \times 1.5) / 2 = \$1,339.04$.

Lastly, you'll take the same approach and split the difference between the value of 31254 (\$424.54) and 31231 (\$205.06) to reach \$219.48. You'll then factor in the bilateral and multiple procedure rules:

- $(\$219.48 \times 1.5) / 2 = \164.61 .

Take a Few More Problem Areas Into Account

The underlying reason that this proposal is sure to cause a stir within the otolaryngology community is that physician reimbursement will substantially decrease when the special rules for endoscopic procedures are applied to the sinus endoscopy code set. However, when looking beyond that troubling fact, there's another reason why experts in the field are looking to fight these changes - the special rules for sinus endoscopies simply don't make sense. The reason for this, according to **Barbara J. Cobuzzi, MBA, CPC, COC, CPC-P, CPC-I, CENTC, CPCO, AAPC Fellow**, of CRN Healthcare in Tinton Falls, New Jersey, is threefold.

"The sinus endoscopies are not progressively performed on linear structures. They are performed on different parts of the head, and one does not go through one sinus to get to another sinus. And when one does go through a structure, such as a middle turbinate, it is bundled into the nasal endoscopy. Just because the sinus endoscopies are on a family of sinuses and are scopes, it does not mean that they equate to the family of colonoscopies which are linear in nature," says Cobuzzi.

Furthermore, the base scope indicated in the final rule, 31231, is both a separate procedure and is bundled in all other functional nasal endoscopy codes. This means that you won't get a diagnostic nasal endoscopy paid alongside other functional endoscopic sinus surgeries (FESSs). It's also important to note that nasal endoscopies are performed on one or both sides of the head, so not only is there not a linear relationship, but there is a three-dimensional relationship between any and all of the nasal endoscopies being performed. As a result, one can conclude that the same rules, in which nasal endoscopies are priced like colonoscopies, should not be applied.

To consider: The fees outlined in this example are based on the 2019 Medicare Physician Fee Schedule and relative value units (RVUs) assigned to nasal endoscopies 31231-31298. Keep in mind that CMS may change the RVUs and the fees for these CPT® codes should it implement the multiple endoscopy rules for nasal endoscopies.

