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Outpatient Facility Coding Alert

Modifier Watch: Remember Timing Is Everything When Choosing Between Modifiers 73 and 74

Procedure documentation should point you in the right direction for cancellation coding.

Physicians have one set of modifiers to use when reporting canceled procedures, but you have different ones to consider as an ASC or hospital outpatient coder. Your key to reimbursement lies in the correct application of modifiers 73 (Discontinued outpatient hospital/ambulatory surgery center [ASC] procedure prior to the administration of anesthesia) and 74 (Discontinued outpatient procedure after anesthesia administration).

Check Anesthesia Administration for Modifier 73

Your first step in making the right modifier choice is to verify when the procedure cancellation occurred. Modifier 73 is reserved for ASC and/or hospital outpatient reporting when the procedure is canceled after the patient is taken to the surgical area, but before anesthesia administration.

"In the event that the physician must stop the procedure due to a medical complication or finding, the ASC will still collect a portion of their reimbursement if billed with modifier 73," says **Deb Bridges, CPC-H,** a coder with University Suburban Health Center in Ohio.

According to the full descriptor, modifier 73 applies when a case is canceled "due to extenuating circumstances of those that threaten the well-being of the patient." Circumstances supporting the cancellation can include unexpected changes in the patient's blood pressure, sudden chest pain, or other circumstances that the physician believes puts the patient at risk.

Example: A 66-year-old man is brought to the operating room for repair of an inguinal hernia. The usual surgical preparation and positioning are completed. After the patient is in position, he begins to experience severe chest pain. The anesthesiologist does not want to administer general anesthesia because the patient might be experiencing an evolving cardiac event; therefore, the procedure is terminated.

Code it: When you report the encounter, submit 49505 (Repair initial inguinal hernia, age 5 years or older; reducible) and append modifier 73, says **Cristina Bentin, CPC-H, CCS-P, CMA ,** founder and president of Coding Compliance Management, LLC, in Baton Rouge, La.

Medicare contractors apply a 50 percent payment reduction for cases that qualify for and are reported with modifier 73. Check with non-Medicare payers for guidance on reporting and reimbursement of canceled procedures. Some follow the Medicare payment reduction rules; others may be subject to contract terms. Keep this in mind when renegotiating payer contracts for ASC services.

Follow up: "When the physician returns to the ASC with the patient to perform the aborted procedure at a later date or time, the ASC will receive full reimbursement for the completed procedure," Bridges says.

Anesthesia Started? Look to Modifier 74

In other situations, the physician determines either after anesthesia administration or after the procedure begins that continuing the procedure isn't in the patient's best interest. Situations involving cyanosis, ventricular fibrillation, or arrhythmia might merit cancelation at that point.

Code it: Submit the appropriate code for the intended procedure and append modifier 74. Ensure that the

documentation includes notes explaining why the physician canceled the procedure after induction.

Once anesthesia administration begins, the procedure is classified as a surgical procedure. "Under these circumstances, the ASC will receive full reimbursement for the discontinued procedure," Bridges says.