

Outpatient Facility Coding Alert

Reader Question: Avoid Medicare Compliance Traps When Billing for Premium IOLs

Question: Our ambulatory surgery center performs cataract procedures. Sometimes surgeons insert premium IOLs, and I've heard they're a Medicare compliance risk. What can I do to help my ASC lower that risk?

Indiana Subscriber

Answer: For more than ten years, we've had guidelines for how ASCs should handle premium IOL billing for Medicare beneficiaries, but there are also lots of confusing misinformation floating around, so it's a good idea to make sure your ASC's billing staff knows the rules.

Some misinformation comes from ill-informed supply reps, experts warn. **Good rule of thumb:** Never believe coding or billing advice from a drug or device vendor unless you can double-check it with a trusted, independent source.

As part of the facility charge, Medicare pays \$150 per lens for conventional intraocular lenses (IOLs) (e.g., HCPCS code V2632) that surgeons implant during cataract surgery. However, patients have the option to pay out-of-pocket for premium IOLs, which have vision correction built in and are therefore more expensive than conventional IOLs. Some premium IOLs are called presbyopia-correcting (PC) IOLs because they correct far-sightedness (HCPCS code V2788). Others are called astigmatism-correcting (AC) IOLs (HCPCS code V2787). Often, it's a good decision for patients to choose premium IOLs because it saves them on eyeglass expenses longer term.

If patients opt for premium IOLs, CMS highly recommends that you have them sign an advance beneficiary notice (ABN) so that they clearly understand their out-of-pocket costs.

Stephanie Ellis, RN, CPC has shared this formula for how to calculate premium IOL out-of-pocket costs at previous Ambulatory Surgery Center Association conferences and in articles for Becker's ASC.

Cost of premium IOL **MINUS** \$150 (Medicare conventional lens reimbursement amount) **PLUS** up to \$50 for your ASC's cost of handling the premium IOL lens **EQUALS** out-of-pocket costs to the patient.

Resources: Check out a recent MLN article here:

https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/VisionServices_FactSheet_ICN907165.pdf. The link to the original 2005 MLN article is here:

<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/mm3927.pdf>.