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Psychiatry Coding & Reimbursement Alert

E/M Coding Corner: Ensure MDM Determination Success With These 3 Key Steps

Use this scoring method for every component to arrive at the right E/M code.

The CPT® 2013 changes that have been introduced to psychiatry codes will enable you to report evaluation and management (E/M) codes along with psychotherapy. But to report E/M codes, you will need to know how to determine the right code, which can depend on the components of medical decision making.

Watch Out For OIG Scrutiny of E/M Code Levels

E/M coding has been, and will continue to be, a hot area for payer scrutiny. In fact, a recent OIG study found that physicians increased their billing of higher-level E/M codes across all categories (inpatient, outpatient, etc.) between 2001 and 2010. In fact, the OIG sent CMS a list of 1,700 physicians who were identified as "consistently billing higher-level E/M codes in 2010." That means there is a chance that your payer will review any and all E/M claims your practice is submitting.

Problematic: One of the most complicated and misunderstood areas of level of service calculation is the medical decision making (MDM) portion of an encounter. To determine the level of MDM, you should assign points to each of the three MDM components that your physician performs. The number of points in each category determines the final MDM level. There are three elements that contribute to the complexity of your provider's medical decision making. "The elements are diagnoses/management options, complexity of data reviewed/ordered, and the table of risk," says **Suzan Berman, CPC, CEMC, CEDC,** Manager of Physician Compliance at West Penn Allegheny Health Systems based out of Pittsburgh, Pennsylvania.

Key: You must have two out of the three MDM components score at a particular level in order to assign that level of MDM. For example, if the number of diagnoses and management options is low, but the amount and complexity of data and level of risk are both moderate, your MDM score is moderate. An alternative method to determine the correct level of MDM is to eliminate the highest and lowest scores, and the remaining score is the level for the particular MDM in question.

Follow this three-step process to determine each component level and ensure your MDM calculations don't set you up for additional payer scrutiny.

1. Understand Each Level of Diagnosis

Start your MDM level assessment by tackling the first category: number of diagnoses and management options. For this category, ask, "What is wrong with the patient?" and "What is the total number of medical diagnoses that the patient has that the provider addressed during the encounter?"

For each diagnosis, you will assign a point and score the diagnosis level as follows:

Self-limited/minor problem -- 1 point each, with a max of 2 points

Established problem, improving/stable -- 1 point each

Established, worsening -- 2 points each

New problem, no planned additional workup -- 3 points each, max of 3 pts

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New problem, additional workup -- 4 points each

"The point system has been adopted by most insurance carriers; however, it is officially the "Marshfield system," Berman explains. "Trailblazers, for example use a different point structure."

2. Classify Your Data Complexity

The second component to consider when deciding on your provider's MDM complexity is the amount and complexity of the encounter's data. For this piece of the MDM puzzle, you need to determine if your provider's work included the following classes of data:

Review/order of clinical lab services such as WBC tests (80000 codes)

Review/order of radiology services such as x-rays (70000 codes)

Review/order of medicine services such as an EKG (90000 codes)

Discuss results with test-performing physician

Independent review of image, tracing or specimen, such as such as reading a CT scan brought in by the patient to the office visit

Decision to obtain old records/ obtain history from someone other than patient

Review and summarize old patient records from an outside source.

For each class of data (i.e. bullet point) above that is documented, score one (1) point.You will sum and score the complexity of data in the same manner as the diagnoses: minimal (0-1), low/limited (2), moderate (3), and extensive/high (4+).

Remember: No matter how many x-rays, labs, or medicine services your provider orders, you can only assign one point for ordering and reviewing all of the data in a given class. Thus, for example, if the physician orders a blood test and a urinalysis, you still only credit him or her with 1 point for review/order of clinical lab services. "In the Marshfield system, you can also get 2 additional points for independently visualizing," Berman states. "However, a maximum of 2 points is permitted for such activity."

3. Weigh the Risk

The final of the three MDM categories, level of risk, can be the most difficult part to determine. "This is the most confusing component of the MDM section," Berman says. "We really need to be in tune with our physicians and the diseases processes for which we code. This helps. It also helps if the physician is thorough and complete in the documentation, so we can determine patient specific risks, therapies ordered, etc."

Level of risk involves three subcategories: presenting problem, diagnostic procedures ordered, and management options. Comorbidities, the need for diagnostic testing, the plan of care, and so on, may complicate the medical decision making. The highest score from only one of the three categories (not from each category) determines the patient's risk level, minimal, low, moderate, or high.

Learn more: The Centers for Medicare and Medicaid Services' 1995 and 1997 guidelines for MDM contain a "Table of Risk" with examples of what constitutes each level of the three subcategories. View the "Table or Risk" online on page 15 of the 1995 E/M Guidelines (https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/95Docguidelines.pdf) or page 47 of the 1997 Guidelines (https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/97Docguidelines.pdf).

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Don't get emotional: Keep in mind that E/M codes aren't based on the patient's general health. Don't code a higher level of decision-making than the documentation supports. Often, providers and coders will boost the MDM because they know the patient is really sick. But you have to code based on what your provider puts into the documentation and nothing more.

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