



Diagnos^tics

July / August 2002

Bulletin

Notes from the Chair

by Catherine M. Foss, BS, RRT, RPFT

Who should be performing diagnostic tests? Is this clearly defined in your health care setting; in your state? Does your state licensure clearly answer these questions?

Issues such as these seem to be very hot topics on the Internet highway at this time. Respiratory therapists are concerned about both job security and testing quality and reimbursement. Yes, we have ATS guidelines, ATS voluntary lab registry, and NBRC and BRPT credentialing. But it is very difficult to pin down all that may be affecting your practice at the state and local levels. As chair of the Diagnostic Section, I would appreciate hearing from as many practitioners as possible regarding these issues. This is the best way for us to get a clear picture of the situation as it exists in different places around the country and formulate a response. Please contact me via email at foss0005@mc.duke.edu. Or, simply join the Diagnostic Section listserv (available to all section members on the AARC web site, www.aarc.org) and join the discussion line there. ♦

RC Week

October 20-26, 2002

Order your supplies now!

Visit Our Online Store

<http://store.yahoo.com/aarc>

Or call us at 972-243-2272

Section Connection

GET IT ON THE WEB:

Help the AARC increase its efficiency by signing up to receive the Bulletin via the section homepage on the AARC website (www.aarc.org). To change your option to the electronic Bulletin, send an e-mail to: mendoza@aarc.org.

JCAHO ACCREDITATION REPORT:

Please consider sharing information about your most recent site visit by filling out the form on the AARC web site found at the following link: www.aarc.org/members_area/resources/jcaho.asp.

SECTION LISTSERVE:

Start networking with your colleagues via the section listserv. Go to the section home page on www.aarc.org and follow the directions to sign up.

Guidelines for Maximizing Reimbursement

by Susan Blonshine, RRT, RPFT, FAARC, AE-C

Maximizing reimbursement for diagnostics services largely depends on our ability to acquire the right knowledge and implement it successfully. There is much we can do to improve our understanding of the Current Procedural Terminology (CPT) coding process. First, we need to establish a good working relationship with our billing departments so that procedures can be implemented and codes readjusted as appropriate. Next, we must recognize that reimbursement varies based on multiple factors, and understanding these factors is the best method to maximizing reimbursement. Although understanding and implementing correct CPT coding continues to be a challenging and frustrating process, it is one that deserves our utmost attention.

How can we keep track of this moving target? The following steps should help "arm" each laboratory with the tools necessary for success.

STEP 1: Gather information

- The Uniform Reporting Manual (URM) for Diagnostics is one tool developed by, and available through, the AARC that can assist with the process.
- Purchase a current CPT coding manual, which is generally available in November for the following year. It is available from the AMA.
- Purchase the International Classification of Diseases, 9th Edition, Clinical Modification (ICD-9-CM), HCPCS Level II Code Book, and the CPT Assistant newsletter. These are also available from the AMA.

STEP 2: Study, study, study

- Each section of the CPT manual has guidelines for using the codes.
- Modifiers are important and have specific instructions for use. Modifiers are used to indicate that a procedure or service has been altered by a specific circumstance, but the code has not changed. The modifier may be used to indicate that there is a professional and technical component, a part of the service was performed, the service has been increased or decreased, or it was provided more than once. For example, "interpretation only" would carry a modifier -26.
- Special reports may be required to determine the medical appropriateness of services that are rarely provided, unusual, variable, or new.
- Supply and medication codes are also available and should be used where appropriate.
- Review each of the codes and the associated descriptor.
- Codes are subject to change throughout the year, so receiving updated information on a regular basis is part of the strategy to maximize reimbursement.
- Review the ICD-9-CM codes (diagnosis-related codes). ICD-9-CM codes must relate to the clinical indication for testing.

STEP 3: Learn the reimbursement structure in your region

Ask the following questions:

- What types of insurance payors do I have? (PPS, PPO, HMO, Medicaid, Medicare, Commercial)?
- What is the percentage of the total business from each payor?
- How does reimbursement vary with each payor?
- Are there specific coding rules to learn for the major payors?
- Who can I call in my area for advice?

Get the Latest 4-1-1 From the AARC

Did you know the AARC sends weekly news updates to AARC members through its News Now@AARC email newsletter? Or that the executive office staff conducts surveys, issues AARC Store sales announcements, and sends other general messages via email? If you aren't receiving these important updates, it's probably because your email address is not in your membership record. To update your membership information and receive all the AARC 4-1-1, contact Catalina at mendoza@aarc.org. ♦

Want to receive this newsletter electronically?

E-mail: mendoza@aarc.org
for more information.

Diagnosics Bulletin

published by the
American Association for Respiratory Care
11030 Ables Lane
Dallas, Texas 75229-4593
(972) 243-2272
(972) 484-2720 FAX
e-mail: info@aarc.org

Chair

Catherine M. Foss, BS, RRT, RPFT
Duke University Hospital
Durham, NC
(919) 844-8248
foss0005@mc.duke.edu

Editors

Pauline Wulbrecht, RPFT
Scott and White Hospital
c/o Pulmonary Laboratory
2401 South 31st Street
Temple, TX 76508
(254) 724-2114
(254) 724-2497 FAX
pwulbrecht@swmail.sw.org

Michael Snow, RPFT, RCPT
Vice President, Research &
Development
Medical Graphics Corporation
(651) 766-3378
(651) 766-3389 FAX
Michael.Snow@MedGraphics.com

Continued from page 1

GUIDELINES FOR MAXIMIZING REIMBURSEMENT

- Where is my regional Centers for Medicare and Medicaid Services (CMS) office?

STEP 4: Make contacts and friends

- Find a coder who is familiar with the rules for each payor, and build a partnership with the financial department.
- Communicate with other professionals in your region and state society. (This is a benefit of membership in professional societies such as the AARC and Diagnostics Section.)
- Companies that provide equipment, supplies, and medications may be helpful.

STEP 5: Make a list of all procedures performed and match to CPT codes

- Bill for all the procedures performed that have associated CPT codes. Check the descriptors carefully.
- Be careful about billing mutually exclusive codes together. (These are codes that cannot be billed together, such as spirometry and maximum voluntary ventilation.) This potentially decreases reimbursement. If mutually exclusive codes are found on a bill, Medicare will reimburse the lesser amount of the two codes.
- Use caution with unlisted codes. These procedures may be reimbursed with good documentation.
- Remember that codes may be found in multiple sections, including Pulmonary, Allergy, Clinical Laboratory, Sleep Medicine, Cardiology, and Neurodiagnostics. The URM is also a helpful resource, as codes are suggested that relate to specific procedures.
- Evaluate options for split billing. In some settings, you may split the technical portion of the procedure from the professional portion for billing. Carefully assess where procedures are performed and the relationship with the interpreting physician to make an informed decision.
- Use the correct revenue code (460 for pulmonary). The three-digit code does not determine revenue mapping for a system.

STEP 6: Determine cost and charge

- Calculate the cost for each procedure performed. (This is where having friends in the financial department makes a difference.)
- Determine charge based on institutional guidance, reimbursement, and payor mix.
- Charge for all tests and components performed. For example, methacholine challenge testing and exercise testing will require a combination of CPT codes.

STEP 7: Time to test

- Test the codes and verify their accuracy.
- If the code is denied in the test population, contact the hospital representative for the specific payor and understand the issues before proceeding.
- Special codes may be required for some payors and specific programs. For example, for programs such as asthma education, reimbursement can be confirmed with HMOs prior to launching the program.

TABLE 1: SAMPLE COMPARISON OF REIMBURSEMENT BASED ON REGION

| CPT CODE | PROCEDURE | WESTERN REGION LOS ANGELES | MIDWEST DETROIT | EASTERN PHILADELPHIA |
|----------|--------------------------------------------------|-------------------------------|--------------------|-------------------------|
| 94010 | Spirometry | 42.33 | 40.20 | 40.24 |
| 94060 | Bronchospasm eval-spirometry pre/post BD | 69.14 | 105.00 | 68.31 |
| 94070 | Bronchoprovocation multiple spirometry | 175.25 | 106.70 | 160.94 |
| 94240 | FRC/RV He dilution, N2 washout, other methods | 68.02 | 54.37 | 61.99 |
| 94360 | Airway resistance | 47.75 | 64.70 | 32.46 |
| 94620 | Simple pulmonary stress test | 131.25 | 96.45 | 94.43 |
| 94621 | Complex pulmonary stress test | 157.95 | 113.47 | 108.65 |
| 94720 | Diffusing capacity of carbon monoxide | 71.60 | 65.36 | 64.88 |

Please note the ranges are based on limited data, but illustrate the variance in reimbursement based on data from limited payors.

STEP 8: Monitor the process

- An example of monitoring may include an encounter form or any method that allows for tracking and evaluation of the process. An encounter form may include, but is not limited to:
 - Location of the service
 - ICD-9 codes
 - Test descriptors
 - CPT codes
 - Routing of the test through the system
 - Interpreting physician
 - Date and time test is performed

STEP 9: Evaluate outcome

- What errors have been encountered? Common sources are:
 - Coding from incomplete or partial patient records
 - Using only one code when multiple procedures are performed
 - Failure to use the coding system required by the payor
 - Assigning the unlisted code in place of the appropriate code
 - Failure to assign the ICD-9 code or using one that does not indicate the test performed
 - Coding from an old CPT manual
 - Failure to code additional diagnosis or incidental procedures
- Evaluate and provide solutions to denied claims:
 - Check for clerical and coding errors
 - Review medical necessity and documentation
 - For Medicare, contact the regional CMS office and ask questions

STEP 10: NEVER Give UP!

- Challenge denials when a claim for a service or procedure is deemed necessary and has sound documentation.
- Ask for help and support from professional societies. The AARC and the Diagnostics Section are excellent resources.

Reimbursement challenges will continue to arise, but we must be persistent and work together. Reimbursement does vary not only by regions of the country but also within regions, so comparisons locally are very helpful. (See Table 1 and Table 2.)

For more information on new procedures or to delete or revise procedure codes already in CPT, contact: Division of Payment Policy and Programs, Department of Coding and Nomenclature, American Medical Association, 515 North State Street, Chicago, IL 60610.

Up-to-date information may also be found on the Centers for Medicare and Medicaid Services web site: www.cms.gov. ♦

TEN STEPS TO MAXIMIZE REIMBURSEMENT

- | | |
|----------------------------------------------------------------------------|-------------------------------------------------|
| STEP 1: Purchase manuals | STEP 6: Determine cost and reimbursement |
| STEP 2: Understand CPT codes, modifiers, and use of special reports | STEP 7: Test the codes |
| STEP 3: Gather reimbursement information in your region | STEP 8: Monitor the process |
| STEP 4: Find a competent friend in billing and coding department | STEP 9: Evaluate outcomes |
| STEP 5: Make a list and match CPT codes | STEP 10: Never give up! |

TABLE 2: EXAMPLE RANGE OF REIMBURSEMENT WITHIN A REGION

| CPT CODE | PROCEDURE | RANGE OF REIMBURSEMENT |
|----------|-----------------------------------------------------------|------------------------|
| 94010 | Spirometry | 24.60 to 42.33 |
| 94060 | Bronchospasm Evaluation | 45.03 to 69.14 |
| 94070 | Bronchoprovocation Multiple Spirometry | 52.71 to 106.70 |
| 94240 | FRC/RV He dilution, N ₂ washout, other methods | 23.22 to 68.02 |
| 94360 | Airway resistance | 23.75 to 47.75 |
| 94620 | Simple pulmonary stress test | 76.12 to 131.25 |
| 94621 | Complex pulmonary stress test | 99.61 to 157.95 |
| 94070 | Diffusing capacity | 40.18 to 71.60 |

AARC Congress to Highlight Diagnostics

by Catherine M. Foss, BS, RRT, RPFT

Mark your calendars! Make your plans! I hope to see you all in Tampa, FL, October 5-8, for this year's AARC International Congress. The Association has a gangbuster program lined up, with excellent diagnostic lectures and interactive events featuring some excellent speakers from around the country. We will have a Diagnostic Section Business Meeting at the Congress to discuss issues of concern to our specialty, so please attend. Your input is vitally important to building our section into an organization that truly meets the needs of diagnostic practitioners. Please get involved, speak up, and let your voice be heard! ♦

Payment Errors Add Up, says Government

The Office of Management and Budget (OMB) estimates payment errors cost the Medicare system more than \$12 billion in 2001, or about 6.3% of its total expenditures. That represents nearly half of the \$20 billion in total payment errors made by all federal agencies last year. The \$20 billion figure equals the total budgets of the Departments of State and Labor combined.

The OMB says more needs to be done to reduce payment errors in the Medicare system and other government agencies, and believes an overhaul of the government's financial and asset management programs is in order. ♦

Early Airflow Limitation Persists into Childhood

Australian investigators who studied a group of 23 infants who demonstrated flow limitation in expiratory breathing at four weeks of age found the children continued to have reduced lung function ability and increased airway resistance through age 11. The association between airway resistance and reduced lung function present in infancy and persisting into childhood was linked to in utero tobacco exposure or genetic factors.

At age two, the flow-limited youngsters had a 7 higher incidence of physician-diagnosed asthma. The researchers believe these children are likely to retain their increased airway resistance and the trend toward reduced pulmonary function into adult life.

The study appeared in the first May issue of the *American Journal of Respiratory and Critical Care Medicine*. ♦

CRCE Online: Click Here, You're There!

You can pick Continuing Education credits by logging into CRCE Online at the AARC website. AARC members receive the highest discounts. Anywhere, anytime, you can access quality continuing education at www.aarc.org. ♦

American Association for Respiratory Care
11030 Ables Lane
Dallas, Texas 75229-4593

Non-Profit Org.
U.S. Postage
PAID
Permit No. 7607
Dallas, Texas

Study Touts Use of pH to Test for Airway Inflammation

The pH of expired breath condensate offers a simple, noninvasive, inexpensive, and easily repeatable procedure to evaluate the inflammatory process in airway diseases. The finding comes from a new study by Greek researchers published in the second May issue of the *American Journal of Respiratory and Critical Care Medicine*.

The study involved 40 patients with bronchial asthma (20 with mild persistent asthma and 20 with moderate disease), 20 patients with bronchiectases, 20 patients with chronic obstructive pulmonary disease (COPD), and 10 control subjects.

The researchers say the results confirm their initial hypothesis that airway acidification from within the body is strongly related to the inflammatory process in the three diseases studied. However, the mechanism seems to differ between asthma, which is predominately characterized by inflammation associated with eosinophils, and COPD and bronchiectasis, which have inflammatory processes predominately associated with neutrophils. They point out that when the inflammatory process in asthma is well controlled, the pH remains within normal limits. ♦

New Codes On the Way

A Health and Human Services Department subcommittee is recommending that the government begin using a new set of more accurate clinical codes. The International Classification of Diseases, 10th Revision, should replace the current International Classification of Diseases, 9th Revision, says the National Committee on Vital Health Statistics' subcommittee on standards and security.

Health care leaders believe updating the codes is important because they play such a large role in benchmarking, quality assessment, research, public health reporting, and strategic planning - not to mention accurate reimbursement for the nation's health care providers. The ICD-9 codes are rapidly becoming outdated and will be phased out. The new ICD-10 codes are expected to bring significant improvements to the system, although health officials admit they will present challenges to hospitals in terms of training of personnel and computer upgrades.

The final implementation date for the new codes is expected to be October 2005. ♦

The AARC Needs You!

Did you know it takes more than 500 active volunteers to successfully run the vast and varied programs and services offered by the AARC every year? Who should take on these responsibilities? How about you?

President-elect David Shelledy, PhD, RRT, is currently seeking volunteers to serve on various AARC committees and in numerous other capacities during his presidency in 2003. If you'd like to sign up - or just find out more about how you can become more involved in your professional association - check out the following link on AARC Online: www.aarc.org/headlines/volunteer. ♦