



## Medicare Payment, E/M Coding and RAC Updates

Emily L. Graham, RHIA, CCS-P  
Hart Health Strategies, Inc.  
January 14, 2020

Photo credit: Architect of the Capitol




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## Medicare Payment and E/M Coding




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## E/M Services

- In the [CY 2019 MPFS](#), CMS finalized changes to the E/M documentation guidelines to reduce provider burden.
- CMS revisited its previously finalized policies regarding office/outpatient E/M visit documentation and payment, and has made the following changes as part of the CY 2020 MPFS:
  - Rescinded the collapse of payment rates for Levels 2-4 and a prolonged services code
  - Adopted the vast majority of [recommendations by AMA's CPT and RUC](#) to restructure and revolve the E/M codes, which include
    - Eliminating history & physical (H&P) requirements
    - Allowing practitioners to choose medical decision making (MDM) or time as basis for documentation
    - Modifying the MDM criteria
    - Eliminating 99201
    - Finalized a shorter, time-based prolonged services code (developed by AMA's CPT Editorial Panel) for use with Level 3 visits
  - Consolidates previously finalized complexity add-on codes into a single complexity add-on code (CPT 99213) with revised descriptor that could be billed with every level of office/outpatient E/M service.
- While these policies go into effect January 1, 2021, CMS acknowledged comments about the large redistributive effect these policies will have on the MPFS and conversion factor in CY 2021 and stated that it would consider whether to address this in CY 2021 rulemaking.




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## E/M Service wRVUs

HCPCS Code	2019 wRVUs	Finalized 2021 wRVU
<b>New patient E/M services</b>		
99201	0.48	Code eliminated
99202	0.93	0.93
99203	1.42	1.6
99204	2.43	2.6
99205	3.17	3.5
<b>Established patient E/M services</b>		
99211	0.18	0.18
99212	0.48	0.7
99213	0.97	1.3
99214	1.5	1.92
99215	2.11	2.8
<b>Add-on codes</b>		
99XXX (prolonged services for Level 5)	N/A	0.61
GPC1X (complexity add-on)	0.25	0.33




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## Care Management Services

- CMS finalized several changes for care management services, including:
  - For care management for a **single** serious chronic condition: CMS finalized G2064 and G2065 to account for **Principal Care Management (PCM) services**, which describe care management services for one serious chronic condition.
  - For care management of **multiple** chronic conditions: CMS finalized G2058, which reflects non-clinical staff time for Chronic Care Management (CCM) services.




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## Communication technology-based services

- CMS finalized a policy to permit a single consent to be obtained, at least annually, for multiple communication technology-based services, including:
  - Virtual visits
  - Remote evaluation of images
  - interprofessional consultation services




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## Impact of Medicare PFS on A/I

- **2020 Conversion Factor**
  - CMS set the CY 2020 conversion factor at **\$36.0896**, a 0.14 percent increase over the CY 2019 conversion factor.
- **Impact on A/I**
  - For A/I, the estimated **CY 2020** impact on total allowed charges of all relative value unit (RVU) changes is **0%**
  - The impact of the finalized E/M payment and coding policies is **7%**



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## Program Integrity



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## Medicare's Recovery Audit Program

- CMS' Recovery Audit program seeks to "*detect and correct improper payments in the Medicare FFS program and provide information to CMS and its contractors that could help protect the Medicare Trust Funds by preventing future improper payments.*"
- There are three (3) different Recovery Audit Contractors (RACs) that work to:
  - **Detect and collect overpayments** made to providers on claims of health care services provided to Medicare beneficiaries
  - **Identify underpayments** to providers so that CMS's Medicare Administrative Contractors (MACs) can prevent future improper payments in all 50 states



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## Medicaid RAC Topic of A/I Interest

■ **Allergy services (i.e., CPT 95165)** has been identified by Myers and Stauffer, LC (MSLC), one of the Medicaid RAC auditors working with Georgia

■ MSLC audit agenda states:

*MSLC performed claims analysis of physician claims for services involving allergen immunotherapy, including allergy testing, antigen preparation and allergy injections, including but not limited to, Current Procedural Terminology (CPT) code 95165.*

*MSLC completed its review of records requested from a number of physicians, and this review revealed potentially improper billing, including claims submitted for services performed by independent contractors. To date, recoveries have been obtained from a number of physicians who received initial findings of overpayments. MSLC has received several requests for administrative review and we are assisting the Department in handling these matters.*



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## MACPAC Recommendation on Medicaid RACs

■ As part of its June 2019 Report to the Congress, MACPAC made the following recommendation:

■ *To provide states with flexibility in choosing program integrity strategies determined to be effective and demonstrate high value, Congress should amend Section 1902(a)(42)(B)(i) of the Social Security Act to make the requirement that states establish a recovery audit contractor program optional.*

■ According to MACPAC, "...we found multiple concerns regarding statutory requirements that states contract with a recovery audit contractor (RAC). Many states have been unable to procure a RAC, forcing them to seek waivers from CMS. Other states are finding diminishing returns from RAC contracts, which also overlap with newer post-payment review activities."



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## Now for the details....

Next Presenter:  
Teresa Thompson, BS, CPC, CMSCS, CCC

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