

AAOS in the States

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New Medicare Coding for Consultation Services

By Matt Twetten

As of January 1, 2010, Medicare no longer recognizes CPT procedure codes for consultation services (CPT codes 99241-99245 and 99251-99255). This change represents a very significant change in Medicare payment policy; however, as of now, the change is for Medicare only. Commercial payors have not yet adopted similar guidelines when it comes to consultation services and providers should continue to use the consultation codes for all non-Medicare payors. Surgeons should check with each individual commercial payor to determine if that payor is continuing to accept the 99241-99245 and 99251-99255.

When billing Medicare, providers will be required to use other Evaluation and Management (E/M) codes when they provide services that were previously coded as consultations. Specifically, for office or outpatient consultations, Medicare will not recognize codes 99241-99245, but will, instead, require providers to bill these services as new (99201-

99205) or established office/outpatient (99211-99215) visits. For inpatient consultations, Medicare will not recognize codes 99251-99255 but will instead require providers to bill these services as initial inpatient patient visits (99221-99223). For inpatient initial hospital visits, the admitting physician will have to append a modifier, AI, in order for the consulting physician to get reimbursed. For Emergency Department consultations, which would have formerly been coded as outpatient consultations (99241-99245), will now be billed as Emergency Department visits (99281-99285).

In order to offset the decreased compensation for stopping payment for consultation codes, Medicare has also increased the compensation for the new patient E/M visits, established patient E/M visits, and initial inpatient visits. The new and established E/M visits will be paid an additional 6% by Medicare, while the initial inpatient visits will be paid an additional 2% by Medicare. Medicare has also increased payment for all 010 and 090 global period

codes with office visits built into their relative value units (RVU) by .03%.

We have also created a Microsoft excel program which providers can use to calculate the fiscal impact on their practices as a result of this change. The impact will vary from practice to practice depending on the practice's ratio of consultation services to new/established office/outpatient and inpatient patient visits. Roughly speaking, the average orthopaedic surgeon's ratio is 6 Medicare new/established office/outpatient and inpatient patient visits for every 1 Medicare consultation visit. A provider with a higher ratio of new/established and inpatient visits to consultation visits will likely gain revenue as a result of the rule change and a provider with a lower ratio will likely lose revenue as a result of the rule change. We anticipate the impact on all of orthopaedic surgery to be basically even (no net increase or decrease) as a result of the rule change. The tables on Page 2 show the appropriate crosswalks.

(cont'd on Page 2)

Is Outsourcing the Billing Function of My Practice the Right Solution?

Few operational aspects of a medical practice are more critical than billing and collections. And, it is not uncommon for physicians in small to mid-sized groups to feel burdened by the amount of the paperwork required to process their billing. The growing complexities of medical practice billing, coupled with the unrelenting economic pressures, lead many physicians to consider outsourcing their billing functions to a third party billing company. While outsourcing may be a cost-effective option for many practices, there are a number of practical and legal issues that must be considered. And in the end outsourcing this critical function may not be the right choice for your practice.

First determine how well your current in-house billing operation is performing and

what it is costing you. Knowing your own billing costs will help you effectively evaluate whether or not using a third party billing company is right for you. Second, make the decision in the context of your entire operation. If you have high costs and low performance, you may be wise to consider outsourcing. But if you have low costs and low performance, your needs may be best served by spending more on implementing proper processes, training staff and investing in appropriate technology. If your volume of patients is low, it may be hard to reach a deal that will be profitable for you and the billing service company.

When it comes to billing you don't want to take any chances. Keep in mind when you decide to outsource your billing and

collections, you don't relinquish the responsibility of ensuring that your money comes in. Determine whether it is more cost-effective for your practice to utilize an in-house billing department or outsource to a third party billing company with care because your practice depends on it.

Visit the AAOS Practice Management Center (www.aaos.org/pracman) to read the full article. You will also find the following resources:

- Claims processing self-assessment worksheet
- Hire Better Billing Staff
- Cash Controls: Better Safe than Sorry
- Patient-Friendly Billing Checklist

New Medicare Coding for Consultation Services (Cont'd)

Table 1-Crosswalks for Office/Outpatient Consultations

CPT Consultative Services Code	CPT E/M Codes for Crosswalking	Modifier Required
99241	99201 (new patient level 1) or 99211 (established patient level 1)	No
99242	99202 (new patient level 2) or 99212 (established patient level 2)	No
99243	99203 (new patient level 3) or 99213 (established patient level 3)	No
99244	99204 (new patient level 4) or 99214 (established patient level 4)	No
99245	99205 (new patient level 5) or 99215 (established patient level 5)	No

Table 2-Crosswalks for Emergency Department Consultations not requiring admission of patient into inpatient facility

CPT Consultative Services Code	CPT E/M Codes for Crosswalking	Modifier Required
99241	99281 (ER visit level 1)	No
99242	99282 (ER visit level 2)	No
99243	99283 (ER visit level 3)	No
99244	99284 (ER visit level 4)	No
99245	99285 (ER visit level 5)	No

Table 3-Crosswalks for Emergency Department Consultations requiring admission of patient into inpatient facility

CPT Consultative Services Code	CPT E/M Codes for Crosswalking	Modifier Required
99251	99221 (Inpatient Initial Visit, level 1)	Yes, you will need to append Modifier "AI"
99252	99221 (Inpatient Initial Visit, level 1) or 99222 (Inpatient Initial Visit, level 2)	Yes, you will need to append Modifier "AI"
99253	99222 (Inpatient Initial Visit, level 1)	Yes, you will need to append Modifier "AI"
99254	99222 (Inpatient Initial Visit, level 2) or 99222 (Inpatient Initial Visit, level 3)	Yes, you will need to append Modifier "AI"
99255	99223 (Inpatient Initial Visit, level 3)	Yes, you will need to append Modifier "AI"

Table 4-Crosswalks for Inpatient Consultations

CPT Consultative Services Code	CPT E/M Codes for Crosswalking	Modifier Required
99251	99221 (Inpatient Initial Visit, level 1)	Yes, referring physician (not you) will need to append Modifier "AI"
99252	99221 (Inpatient Initial Visit, level 1) or 99222 (Inpatient Initial Visit, level 2)	Yes, referring physician (not you) will need to append Modifier "AI"
99253	99222 (Inpatient Initial Visit, level 1)	Yes, referring physician (not you) will need to append Modifier "AI"
99254	99222 (Inpatient Initial Visit, level 2) or 99222 (Inpatient Initial Visit, level 3)	Yes, referring physician (not you) will need to append Modifier "AI"
99255	99223 (Inpatient Initial Visit, level 3)	Yes, referring physician (not you) will need to append Modifier "AI"

If there are any questions regarding this change, or if you would like to obtain the impact calculator (no charge), feel free to contact Matthew Twetten, AAOS Senior Health Policy Analyst, at 847-384-4338 or by e-mail at Twetten@aaos.org.

Matthew Twetten is the AAOS Senior Health Policy Analyst and staff liaison to the AAOS Coding, Coverage and Reimbursement Committee.

Advocacy in the States

As state legislatures await the fate of federal healthcare reform, lawmakers around the country began addressing state policy issues this winter. While all eyes are on Washington, D.C., it is vital to not overlook some of the issues being addressed in the states that impact the ability of physicians to care for their patients. A few of the issues that states will address in 2010 include:

Physician Owned Physical Therapy Services

The **Washington** State Supreme Court is currently weighing the question of whether physicians can legally employ physical therapists in their practices. While orthopaedic surgeons and patient access advocates around the country await this decision, a coalition in **South Carolina** has lined up behind legislation to once again allow physician employment of physical therapists. South Carolina Senate Bill 1030/House Bill 4329 would reverse the 2006 legal interpretation that now prohibits physician employment of physical therapists. As one of the only states with such a ban, South Carolina is a crucial battle ground in the protection of greater patient access to these services. To learn more about the South Carolina legislation and how to get involved go to www.physiciantherapychoice.com.

In-Office Ancillary Services

Maryland remains another state waiting for a court ruling. That state's high court will decide whether physicians may offer in-office ancillary services such as MRI and CT-scans. Once that ruling is released, orthopaedic surgeons along with a large coalition of physician groups stand ready to push legislation to ensure that such services will remain available to patients.

Medical Liability

With medical liability reform absent from congressional health reform plans, more states continue to tackle the issue. **Arizona** is looking at a range of medical liability legislation. These proposals include bills that raise the burden of proof in medical liability claims against health care providers, as well as a bill that would eliminate liability for physicians performing examinations on behalf of someone (such as an employer) other than the person being examined.

The state of **New Jersey** is also actively exploring medical liability reform. Legislation in that state would cap noneconomic damages at \$250,000. Another bill filed in the Garden State would establish a special medical liability court to handle claims brought against health care providers.

Keeping our fellow state orthopaedic society members abreast of your legislative activities is key to advancing the issues of importance to the orthopaedic community in state legislatures nationwide. Please email your state legislative updates to Kevin Jones in the AAOS Office of Government Relations at jonesk@aaos.org.



A Tribute to Injured Troops and Their Families, Injured Civilians, and the Orthopaedic Surgeons Who Care For Them



Home from the War
by Joseph A. Pearson



We Honor the Fallen
by Peter J. Damon

On display at the Morial Convention Center,
outside of the La Nouvelle Ballroom
March 9-13

www.woundedinactionart.org

AAOS
American Academy of
Orthopaedic Surgeons

Extracting the past,
inspiring the future.



Be Involved in the AAOS' FIRST Family Fitness and Fun Park Build!

The AAOS needs you!

Join us in New Orleans on **Tuesday, March 9**—the day the 2010 Annual Meeting begins. The Family Fitness and Fun Park will provide children, parents and grandparents the opportunity for physical activity together. There will be equipment for balance, flexibility, strength and a walking/running track for aerobic exercise. The various activities of the Park will help reduce and prevent falls, build strong bones and give those recovering from joint replacement a safe place to exercise. The different stations will include descriptions of how to do the exercises, why they are important and injury prevention tips.

In the middle of the Family Fitness and Fun Park will be a safe, accessible playground where 5-12 year olds, with and without disabilities, can play safely together. This is truly a place where three generations of families can get fit and have fun together. On Tuesday, March 9, buses will run between the build site and the Ernest Morial Convention Center from 7:00 am – 4:00 pm.



The ribbon-cutting will take place around 3:30 pm. Music, breakfast and lunch will be provided. No experience is necessary to help; seasoned project managers will be on-site to oversee the build. Help make this project that much more memorable for the community of New Orleans—spend just a couple

hours or the entire day.

Experience the great time and see the joyful and excited faces of the neighborhood children.



It will be a fantastic day of building with fellow orthopaedic surgeons, allied health, orthopaedic industry, and of course, New Orleans community volunteers.

Annual Meeting attendees will receive a ribbon for your meeting badge at the playground build site. All

volunteers will receive detailed information prior to the event. To sign up to volunteer, please visit aaos.org/fitnessbuild, or contact the Public Relations Department by phone, 847-384-4036 or email, publicrelations@aaos.org.

We hope to see you on Tuesday, March 9, 2010!

Please schedule travel accordingly.

Learn How to Simplify Running Your Practice and Earn CME Credit

Physicians and their practice administrators who attend the 2010 Practice Management Symposium for Practicing Orthopaedic Surgeons (Course #550) on March 9 in New Orleans will walk away with practical tips on running the practice to maintain, or improve, the bottom line. The educational experience includes “point-counterpoint” panel discussions along with active audience participation. This program is approved for up to 8 AMA PRA Category 1 CME credits[™]. [For more information](#)

Help Your Orthopaedic Residency Program Fulfill the ACGME SBP Requirement

The ACGME (Accreditation Council for Graduate Medical Education) now requires orthopaedic residency programs to develop content in System-based Practice. Some of the topics that define SBP include, patient safety, health system resources, error reduction strategies, and practice financials. The AAOS developed the Resident Practice Management Lecture Series (RPMLS) to address this need and help residents learn practice management concepts and skills. The current series is comprised of eight 20-30 minute lectures related to five of the seven SBP content domains, with new programs to be added each year. An annual subscription gives residents in the program ongoing access to the series. Descriptions of the [lectures](#) and ordering information is available online and through [AAOS Customer Service](#) or by calling 800-626-6726.



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Orthopaedic Surgeons' Expertise in the Spotlight

Many of your orthopaedic colleagues spend time promoting the orthopaedic profession through public relations initiatives. During the course of the 2010 calendar year, the AAOS public relations department promises to keep you informed of the recent public and media relations opportunities in which the Academy has participated. This quarterly email – called Bonefied News – will contain:

- links to recent stories where Academy spokespeople are quoted
- upcoming special projects in which AAOS members can participate
- media training tips for effective interviews with the press; and more

You can view Bonefied News at this link: <http://www.pwrnewmedia.com/2009/aaos90903bonefied/index.html>

If you are interested in receiving this quarterly e-newsletter in your inbox, please email media@aaos.org and request to be added to the email distribution list.

Advocacy Resources for State Societies

Legislative Strategy Development: State legislative strategy development based on best practices, opposition tactics and the state society's unique strengths is provided to state orthopaedic societies confronting legislative issues.

State Legislative Tracking: State legislative and regulatory tracking is conducted at the national level to monitor trends and identify bills and proposed regulations of interest to individual states.

Legislative Alerts: Periodic alerts concerning bills and regulations requiring a response from the orthopaedic community are sent to state societies as necessary.

Weekly Bill Status Reports: Customized weekly bill status reports are available to each state orthopaedic society informing state society leaders of legislative action in their state.

State Legislative Updates: A summary of action on state legislation affecting orthopaedic surgeons

across the country is sent to state orthopaedic societies and published in AAOS Now on a quarterly basis.

Advocacy Resource Development: Legislative materials including fact sheets, position statements, talking points, visual aides and other useful information are developed on an ongoing basis and made available through the AAOS website. Upon request, materials may be produced and tailored to meet the specific needs of individual states.

Legislative and Regulatory Research: Research assistance such as data collection and case study development on legislative and regulatory issues is available to state orthopaedic societies.

Lobbying Assistance: The AAOS is available to advise states on the hiring, management and evaluation of state society lobbyists.

Grassroots Development: Assistance in developing strategies to mobilize state society members

for advocacy efforts is offered to state society leaders.

Model Legislation: Model legislation is sent to state orthopaedic societies prior to the start of each legislative session to facilitate proactive advocacy efforts.

Coalition Building: Assistance in developing contacts and forging legislative coalitions with other state health care groups is provided to state societies seeking to broaden their government relations programs.

Financial Assistance: Financial assistance to state societies engaged in advocacy efforts is available through the State Orthopaedic Society Health Policy Action Fund. The AAOS also assists state societies in identifying external sources of financial support.

For more information please contact Kevin Jones at jonesk@aaos.org.