

BWC ASC Fee Schedule 2009 Update

Anne Casto, RHIA, CCS
Casto Consulting, LLC

Objectives

- Verbalize BWC ASC Fee Schedule changes for 2009
- Understand BWC conversion to modified ASC PPS
- Identify modified scope of services for BWC patient population
- Verbalize BWC ASC Fee Schedule indicator definitions
- Understand how to submit bills for services with the BR indicator
- List ways BWC is different from Medicare
- Describe BWC's transition to full ASC PPS implementation
- Describe billing protocol changes
- Verbalize new limits on surgical code reporting
- Verbalize modifier usage changes

ASC Rule 2009

- BWCs current fee schedule is based on the ASC Group methodology **previously** used by Medicare
 - Foundation is the 9 ASC surgical levels
 - BWC additionally reimbursed for selected supplies, radiology services, laboratory, and E/M services
- BWC has not updated the reimbursement rates for ASCs since 2005
- CMS discontinued the ASC Group methodology after the 2007 calendar year; it is no longer maintained

Level	Payment
1	\$402
2	\$541
3	\$618
4	\$762
5	\$867
6	\$1008
7	\$1205
8	\$1187
9	\$1578

ASC Rule 2009

- CMS Reimbursement Methodology Change
 - Beginning January 1, 2008 CMS adopted a modified Ambulatory Payment Classification (APC) system for use in the ASC PPS
 - CMS uses APCs to reimburse hospital outpatient departments
 - CMS is currently in a four year transition period of the revised PPS implementation (2008-2011)
 - Transitional rates are a blend of the ASC group rate and the APC rate.
 - 2011 the full APC rate will be used
 - CMS publishes rates each year via the ASC PPS/OPPS Final Rule in the Federal Register around end of Oct. - beginning of Nov.

ASC Rule 2009

- Modifications for 2009
 - Adopt the Medicare ASC rate schedule as finalized under the ASC PPS
 - BWC has adopted the revised PPS in year two of the transition “aka” 2009 CMS transitional rates
 - BWC will reimburse at 100% of the Medicare rate
 - Rates are displayed by **CPT/HCPCS code**
 - **BWC will adopt HCPCS Level II codes included in the ASC scope of services in order to properly administer this fee schedule**
 - Radiology, drugs, supplies and implantable devices are included in the fee schedule
 - Laboratory services that meet BWC requirements will be reimbursed under the BWC lab fee schedule

ASC Rule 2009

- Modifications for 2009
 - Adopt the Medicare approved scope of services for the ASC setting
 - As part of the CMS revision of the ASC PPS over 700 procedure codes were added to the ASC scope of services
 - BWC is adding over 400 codes to the 2009 fee schedule
 - Includes office-based and surgical procedures, separately payable ancillary and supplies that are applicable under workers compensation program
 - BWC also added unlisted codes to the ASC fee schedule

ASC Rule 2009

2009 ASC Fee Schedule - Sample

HCPCS Code	Subject to Multiple Procedure Discounting	Reimbursement Rate
19396	Y	NC
19499	Y	BR
20000	Y	\$57.02
20005	Y	\$657.01
20103	Y	\$644.79
20150	Y	\$1,830.57

ASC Rule 2009

- Covered Services
 - Identified by a payment rate
 - Some payment rates equal \$0.00
 - The ASC PPS system is a partially packaged system
 - Some services are separately payable
 - Some services are packaged or bundled
 - Packaged/bundled services are covered, but the payment for the service or item is included in the reimbursement rate for the surgical procedure
 - **Example: 77003 – *Fluoroscopic guidance and localization of needle or catheter tip for spine or paraspinous diagnostic or therapeutic injection procedures***

ASC Rule 2009

- **Non-Covered Services**
 - Identified by the indicator NC
 - The service, supply, drug or procedure is on the Medicare fee schedule; but it is not applicable to the workers compensation environment

ASC Rule 2009

- **By Report Services**
 - Identified by the indicator BR
 - Services that are sometimes covered by BWC, but a review of the operative report is required to ensure relatedness
 - Services that are reported with an unlisted CPT code
 - Medical Policy must review the operative report and determine the appropriate reimbursement level for the service(s) provided
 - Medicare does not cover unlisted codes; however, BWC will cover the service if appropriate

How is BWC Different from CMS?

- BWC has adopted a modified scope of services
 - Services that are not applicable to the BWC patient population have been marked as “not covered”
 - The ASC fee schedule and the Physician fee schedule are in alignment
 - The Physician Fee Schedule had incorrect coverage indicators, therefore an update to the ASC Fee Schedule was posted 3/18/09
 - 27 procedures moved from non-covered to covered status

How is BWC Different from CMS?

- BWC has included unlisted codes on the fee schedule
 - CMS has not included unlisted surgical codes in the ASC scope of services
 - BWC has marked unlisted codes as “by report” and will review on an individual basis
 - Operative report must be submitted at time of bill submission so that Medical Policy can set the appropriate reimbursement rate if the service is covered

How is BWC Different from CMS?

- BWC as adopted the 2009 transitional rates – but not the full ASC PPS
 - BWC will NOT use the Integrated Outpatient Code Editor in 2009
 - Would like to convert to the IOCE in the future
 - IOCE edits will not be applied
 - BWC will not apply NCCI edits
 - OCE edits 19/20 and 39/40
 - BWC customized edits that currently exist in their billing system will continue to be used

How is BWC Different from CMS?

- BWC as adopted the 2009 transitional rates – but not the full ASC PPS con't
 - BWC has not implemented interrupted procedures provision
 - BWC does not provide wage index adjustment
 - BWC does not make mid-year adjustments to the fee schedule for new HCPCS codes
 - BWC does not require the reporting of devices with modifiers FB and FC

ASC Rule 2009

- **Modifications for 2009**
 - Discontinue use of HCPCS Level III codes for the ASC setting (Z-codes)
 - Z-codes will no longer be accepted for the ASC setting
 - Implantable devices are either:
 - Bundled into the surgical procedure and not separately payable
 - OR
 - Separately payable via a HCPCS Level II code

ASC Rule 2009

- Modifications for 2009
 - Remove the limit on the number of procedures that can be reported for a single admission
 - Currently facilities may only report four surgical procedures per date of service
 - BWC will remove this limitation and allow unlimited number for surgical procedures per date of service
 - In alignment with coding guidelines
 - Will allow facilities to follow official coding guidance as provided by American Medical Association's *CPT Assistant*
 - Specifically, this will allow pain management and some orthopedic procedures to be properly coded and reported

ASC Rule 2009

Greater than 4 procedures

Current Methodology		April 2009 Methodology	
27620	Paid 50%	27620	Paid 50%
27630	Not paid	27630	Paid 50%
27640	Paid 50%	27640	Paid 50%
28054	Paid 50%	28054	Paid 50%
28120	Paid 100%	28120	Paid 100%

ASC Rule 2009

- **Modifications for 2009**
 - Allow use of additional modifiers in the ASC setting
 - Includes changing the way bilateral procedures may be reported
 - Remove requirement for facilities to use modifier LT and RT to report bilateral procedure.
 - BWC will allow the use of modifier -50 for bilateral procedures.
 - Allow the use of modifier -59, distinct procedure
 - Use of Modifier -59 will be monitored on a retrospective basis to ensure proper use

ASC Rule 2009

- Discontinue the use of BWC customized modifiers
 - J1-J4 – previously used to rank procedures 1-4
 - C1-S1 – previously used to identify the spinal level
- BWC will provide a 3 month transition period
 - From 4/1/09 through 6/30/09 modifiers J1-J4 and C1-S1 will be informational
 - On 7/1/09 these modifiers will be discontinued

ASC Rule 2009

Bilateral procedure

Current Methodology

64483 RT paid 100%

64483 LT paid 50%

April 2009

Methodology

64483 50 paid 150%

ASC Rule 2009

Multi-level spinal procedure

Current Methodology

64483 C1 paid 100%

64484 C2 paid 50%

64484 C3 paid 50%

April 2009 Methodology

64483 paid 100%

64484 paid 50%

64484 59 paid 50%

ASC Rule 2009

Bilateral multi-level procedure

Current Methodology

64483 RT	paid 100%
64483 LT	paid 50%
64484 RT	paid 50%
64484 LT	paid 50%
64484 RT	not paid
64484 LT	not paid

April 2009 Methodology

64483 50	paid 150%
64484 50	paid 75%
64484 50 59	paid 75%

ASC Rule 2009

Multi-tendon procedure different digits

Current Methodology

26180 J1	paid 100%
26180 J2	paid 50%
26180 J3	paid 50%
26180 J4	paid 50%

April 2009 Methodology

26180 F5	paid 100%
26180 F6	paid 50%
26180 F7	paid 50%
26180 F8	paid 50%

ASC Rule 2009

Multi-tendon procedure same digit

Current Methodology

26180 J1	paid 100%
26180 J2	paid 50%
26180 J3	paid 50%
26180 J4	paid 50%

April 2009 Methodology

26180 F5	paid 100%
26180 F5 59	paid 50%
26180 F6	paid 50%
26180 F6 59	paid 50%

ASC Rule 2009

- Potential Provider Questions
 - What happened to the 9 levels?
 - What is BR? What documents do I have to send in?
 - Why aren't Z-codes on the fee schedule?
 - Do I get paid for radiology services?
 - How are drugs reimbursed?
 - How do I report bilateral procedures? Don't they have to be reported on two lines?
 - Where do I find the correct coding guidelines?
 - Which modifiers can we use now?

ASC Rule 2009

● Potential Provider Questions

- Are you going to deny my bill if I use modifier?
- Where are the modifiers defined?
- Can I report more than one modifier for a code? How many will you accept?
- Will the rates change each year?
- Are all secondary procedures discounted?
- If I put a discontinued modifier on the bill what will happen to the bill? Will it be denied?
- What if a non-covered procedure is performed along with a covered procedure? Will you reimburse both?

ASC Rule 2009

- **Post implementation reviews**
 - BWC will monitor bills post-implementation to ensure that they are being processed correctly
 - Ensure payment rate is accurate
 - Ensure billing protocols are being followed
 - Ensure that modifiers are appropriately applied

ASC Rule 2009

- **Next Steps**

- Effective date for new fee schedule is April 1, 2009
- August BWC will begin data analysis for 2010 update
 - Proposed ASC PPS/OPPS Rule will be released end of July – beginning of August
 - Proposed 2010 transitional rates will be published in the rule

ASC Rule 2009

Thank You