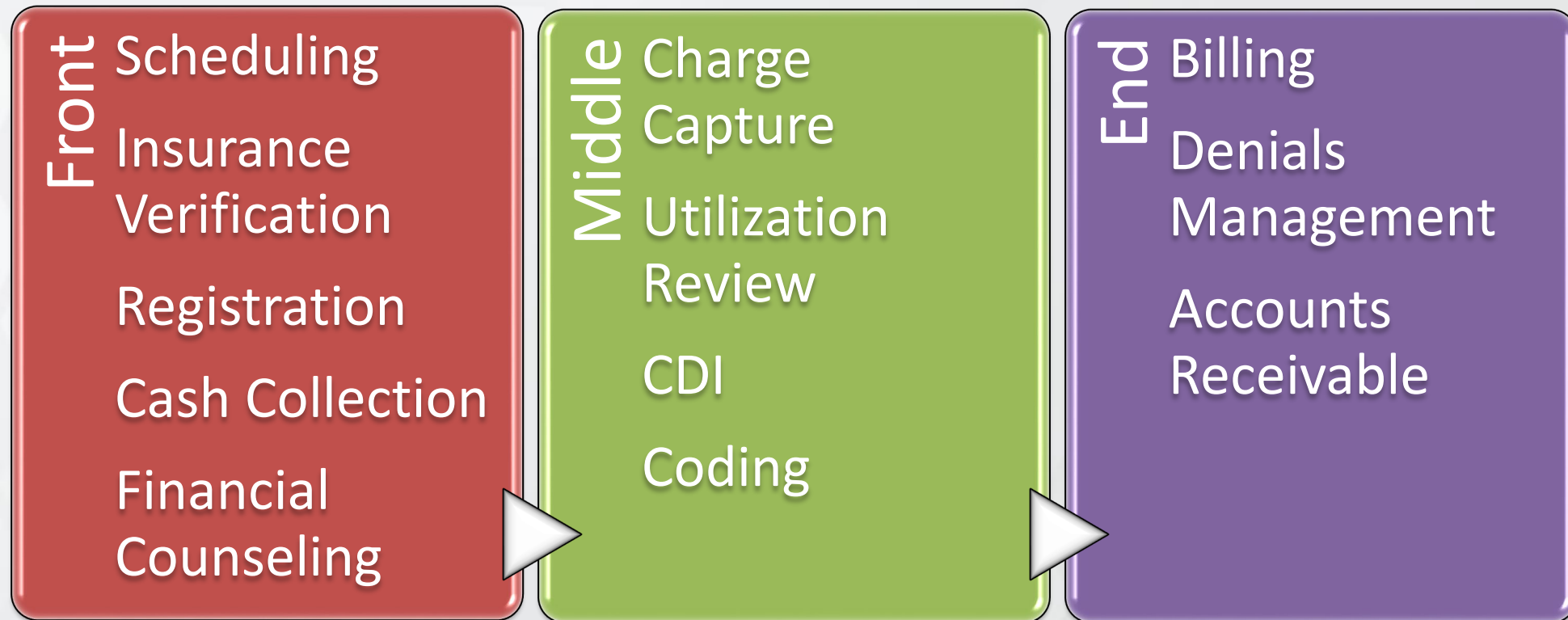


# **Upcoming Regulatory Changes and the Revenue Cycle : What Healthcare Execs Need to Know**

**Cathy Brownfield, MSHI, RHIA, CCS**  
**Karen Scott, M.Ed., RHIA, CCS-P, CPC, FAHIMA**

# Revenue Cycle



# Where to Start?

- ▶ Workflows
- ▶ Pre-bill Clinical Documentation Improvement (CDI)
- ▶ Coding Audit Process
- ▶ Edits and Denials
- ▶ Education

# Improvement Area: Workflows

- ▶ Review and document each area
- ▶ Gather current metrics
- ▶ Design new workflow
- ▶ Encourage buy-in
- ▶ Implement
- ▶ Schedule check-in on process

# Improvement Area: Pre-bill CDI

## Why:

- ▶ Documentation should reflect the severity and complexity
- ▶ Audits
- ▶ Evolution of payment environment

## How:

- ▶ Educate Providers and Staff on Why
- ▶ Encourage Provider Queries
- ▶ Identify Staff
- ▶ Evaluate Efficacy

# Improvement Area: Auditing

- ▶ Auding Process/Program
  - ▶ Internal
  - ▶ External
  - ▶ Follow-up
- ▶ Make it a priority
- ▶ Educational not punitive

Metrics Best Practices:

- ▶ 95% Overall Coding Accuracy

# Improvement Area: Edits and Denials

- ▶ Identification
- ▶ Leverage edits before the bill is submitted
- ▶ Defined process
- ▶ Timely
- ▶ Education

## Metrics:

- ▶ Clean Claim Rate 95% or higher

# Improvement Area: Education

- ▶ Everyone not just those who need continuing education
- ▶ Educate on why changes are being made
- ▶ Dedicated times
- ▶ Look for free opportunities



# 2023 Regulatory Highlights

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- ▶ Increase OPPS rates net 3.8%
  - ▶ Outpatient and Ambulatory Surgery Centers
  - ▶ Originally proposed 2.7%
- ▶ Exempt rural sole community hospitals (SCHs) from the site-neutral clinic visit cuts
  - ▶ Reimbursement for clinic visits furnished in grandfathered (excepted) off-campus provider-based departments (PBDs) receive the full OPPS rate

# Payment for 340B drugs

- ▶ Allows participating hospitals and providers to purchase specified covered outpatient drugs from manufactures at discounted prices.
- ▶ Finalized payment for 340B hospitals at average sales price (ASP) plus 6%
  - ▶ Supreme Court decision
  - ▶ Defer proposal for fix (expected in 2023)

# Remote Behavioral Health

- ▶ Permanent payment for remote behavioral health services beyond the end of PHE
  - ▶ Patient must be at home
  - ▶ Need an in-person visit within 6 months prior
    - ▶ Finalizing an exception when the risk and burden outweigh the benefits for the in-person
  - ▶ Added new codes to cover these services
  - ▶ Can be audio only as long as it is the patients decision

# Discarded Single-Dose Modifiers

- ▶ Discarded Single-Dose
  - ▶ Continue using JW modifier for discarded amounts
  - ▶ Adding JZ modifier to attest there was no discarded amount
  - ▶ July 1, 2023 can be used on provider audits
  - ▶ October 1, 2023 claim edits implemented

# Additional Regulatory Highlights

- ▶ Require prior authorization for facet joint injections and nerve destruction
- ▶ Revise the Inpatient only list to remove 11 services and add eight new CPT codes
- ▶ Payment for certain dental services
  - ▶ New G-Code for dental rehabilitation requiring monitored anesthesia in the OR
  - ▶ Payment is going from ~\$200 to ~\$2000
  - ▶ Must meet the Medicare coverage requirements

# **2023 CPT/Medicare Evaluation and Management Coding**

Karen Scott, MEd, RHIA, CCS-P, CPC, FAHIMA

# Hospital E&M Leveling

- ▶ Follow the intent of the CPT® code descriptor
- ▶ Higher E/M levels based on increased hospital services
- ▶ Base levels on hospital facility resources, not physician services
- ▶ Guidelines should not facilitate upcoding
- ▶ Leveling guidelines should not encourage coding not supported by documentation



# Medicare Key Criteria for Hospitals

1. Follow the intent of the associated CPT® code descriptor in that the guidelines should be designed to reasonably relate the intensity of hospital resources to the different levels of effort represented by the code.
2. Be based on hospital facility resources. The guidelines should not be based on physician resources.
3. Be clear to facilitate accurate payments and be usable for compliance purposes and audits.
4. Meet HIPAA requirements.
5. Only require documentation that is clinically necessary for patient care.
6. not facilitate up coding or gaming.
6. Be in writing, or recorded, well-documented and provide the basis for selection of a specific code.
7. Be applied consistently across patients in the clinic or emergency department to which they apply.
8. Not change with great frequency.
9. Be readily available for fiscal intermediary review.
10. Result in coding decisions that could be verified by other hospital staff, as well as outside sources.

# Hospital Outpatient Clinic

- ▶ When a Medicare patient is evaluated in the outpatient hospital clinic
- ▶ Use code G0463
  - ▶ Hospital outpatient clinic visits for assessment and management
  - ▶ Not CPT® code (99202-99215) used for physician billing for their professional services

# Example of Leveling Sheet

- ▶ [ACEP // American College of Emergency Physicians;ED Facility Level Coding Guidelines;ACEP Facility Guidelines](#)
- ▶ [Next Step in ED Leveling: Evaluation Methodologies - AAPC Knowledge Center](#)

# Evaluation and Management

- ▶ CPT Procedure Codes in the Evaluation and Management Section
- ▶ Office Visits Changed in 2021 with promises to make changes to other codes in 2023
- ▶ Medical Decision Making or Total Time
- ▶ While History and Physical Exams are still important, not used to calculate code.

<https://www.ama-assn.org/practice-management/cpt/cpt-evaluation-and-management>

[2023 CPT E/M descriptors and guidelines \(ama-assn.org\)](https://www.ama-assn.org/practice-management/cpt/cpt-evaluation-and-management)

# Changes

- ▶ Only one set of guidelines
- ▶ Changes to
  - ▶ Observation
  - ▶ Inpatient
  - ▶ Consultations
  - ▶ Emergency Department
  - ▶ Nursing Facility
  - ▶ Assisted Living and other facilities
  - ▶ Home/Residence
  - ▶ Prolonged Services

# Updated MDM Table

- ▶ Include items for inpatient services
- ▶ Problems:
  - ▶ Stable/acute illness
  - ▶ Acute/uncomplicated illness/injury needing hospitalization/observation level
- ▶ Risk
  - ▶ Decision making
    - ▶ Hospitalization or “escalation of hospital level of care”
    - ▶ Parenteral controlled substances

# Problems Addressed or Managed

Acute	Chronic	Other
Self Limited/Minor	Stable, Chronic Illness	Undiagnosed new problem with uncertain prognosis
Acute uncomplicated illness/injury	Chronic Illness with exacerbation, progression or side effects of treatment	Acute or Chronic Illness/Injury that poses threat to life or bodily function
Acute uncomplicated illness/injury requiring hospital/obvs level of care	Chronic illness with severe exacerbation, progression, or side effects of treatment	
Stable Acute Illness		
Acute illness with systemic symptoms		
Acute complicated injury		

# Observation and Inpatient

- ▶ Determined that observation and inpatient care really require the same amount of work
- ▶ Deleted separate observation codes
  - ▶ Added into the hospitalization codes
  - ▶ Still use appropriate G codes for Medicare



# Initial Vs. Subsequent

- ▶ Admitted/Discharged same date of service
  - ▶ From observation/inpatient services
  - ▶ These codes were not deleted
- ▶ Guidelines were updated
- ▶ Initial service doesn't appear to be tied to calendar date
- ▶ No new stay if moved from observation to inpatient

# Guidelines

- ▶ Included Obsvs in with Inpatient
- ▶ Doesn't require patient be in specific area
- ▶ Total time carries over through calendar date-continuous
- ▶ Using current Inpatient codes
- ▶ 99221-99223 for initial
- ▶ 99231-99233 for subsequent
- ▶ "admitted" was confusing

# Emergency Department

- ▶ 5 levels similar to OV codes
- ▶ Lowest level may be used when pt does not see the physician
- ▶ Time not a factor so must use Medical Decision Making (MDM)

# More ED

- ▶ Clarification on reporting partial procedures
  - ▶ Not completed in ED
- ▶ Patient seen in ED for “physician convenience” are not ED services

# References

- ▶ <https://www.cms.gov/newsroom/fact-sheets/cy-2023-medicare-hospital-outpatient-prospective-payment-system-and-ambulatory-surgical-center-2>
- ▶ <https://acdis.org>
- ▶ <https://oig.hhs.gov/compliance/compliance-guidance>
- ▶ [https://www.advisory.com/-/media/Project/AdvisoryBoard/shared/Research/FLC/Resources/2019/Examining\\_2019\\_Revenue\\_Cycle\\_Benchmarking\\_Results.pdf?WT.ac=Inline\\_FLC\\_ExRB\\_x\\_x\\_x\\_A\\_TM\\_2020Jan22\\_Eloqua-RMKTG+Blog](https://www.advisory.com/-/media/Project/AdvisoryBoard/shared/Research/FLC/Resources/2019/Examining_2019_Revenue_Cycle_Benchmarking_Results.pdf?WT.ac=Inline_FLC_ExRB_x_x_x_A_TM_2020Jan22_Eloqua-RMKTG+Blog)

# Thank you!

Cathy Brownfield, MSHI, RHIA, CCS  
[cbrownfield@trucode.com](mailto:cbrownfield@trucode.com)

Karen Scott, MEd, RHIA, CCS-P, CPC, FAHIMA  
[kscott@trucode.com](mailto:kscott@trucode.com)