

Controversies in Billing for Clinical Services

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Objectives

- Review various billing options for clinical pharmacy services in the outpatient setting
- Highlight accepted “billing” procedures in various settings such as...
 - Hospital-based clinics
 - Physician Office-based clinics
 - Community Pharmacy-based clinics
- Highlight current controversies in attaining reimbursement for cognitive services

Recent Milestones Affecting Billing Potential for Pharmacists

■ Pharmaceutical Care / Collaborative Practice Concept:

“Pharmaceutical care involves the process through which a pharmacist cooperates with a patient and other professionals in designing, implementing, and monitoring a therapeutic plan that will produce specific therapeutic outcomes for the patient.”

Recent Milestones Affecting Billing Potential for Pharmacists

- Focus on patient safety, impact of medication adverse outcomes
- Increasing support of physicians and legislators for pharmacist cognitive services
- Current legislation – could have dramatic impact on reimbursement for pharmacist cognitive services

Recent Milestones Affecting Billing Potential for Pharmacists

- Clinical Pharmacy Services & MTMS
 - Medication Therapy Management Services (MTMS)
 - *A distinct service or group of services that optimize therapeutic outcomes for individual patients. Medication Therapy Management Services are independent of, but can occur in conjunction with, the provision of a medication product*

MTMS Definition and Program Criteria by the ACMP, AACP, ACA, ACCP, ASCP, APhA, ASHP, NABP, National Council of State Pharmacy

Association Executives; July 2004 <http://pstac.org/aboutus/mtms.pdf>

Clinical Pharmacy Services & MTMS

- Examples of MTMS
 - Anticoagulation clinics
 - Lipid clinics
 - Asthma
 - Diabetes
 - Osteoporosis
 - Hypertension
 - Immunizations
 - Pharmacotherapy clinics

Clinical Pharmacy Services & MTMS

- Examples of MTMS in specific settings
 - Hospital based clinics
 - Physician clinics
 - Community pharmacies
 - Independent clinics
- Other
 - Nursing homes
 - Home health care
 - Indian Health Service
 - Inpatient Services

Justification for Clinical Services

- Direct revenue
- Improved patient outcomes
- Decreased healthcare costs
- Other

Justification for Clinical Services

■ Chiquette and Amato

- Condition(s): Anticoagulation Disorders
- Setting: Outpatient Clinic
- Outcomes:
 - Improved surrogate markers
 - Decreased hospitalizations / ER visits
 - Decreased thromboembolism / bleeding
 - Decreased healthcare costs

Justification for Clinical Services

■ Mississippi Medicaid Project

- Condition(s): Asthma, diabetes, lipids, anticoagulation
- Setting: Community pharmacies
- Payer: Medicaid
- Outcomes: Improved surrogate markers
Decreased hospitalizations, ER visits
Direct reimbursement from Medicaid

Justification for Clinical Services

■ Asheville, NC Project

- Condition(s): Diabetes education, blood pressure, and lipid management
- Setting: Community pharmacies
- Payer: City of Asheville & Mission St. Joseph's Health System
- Outcomes: Improved surrogate markers
Decreased hospitalizations, ER visits
Decreased sick days
Increased prescription costs

Justification for Clinical Services

■ Project ImPACT

- Condition(s): Lipids
- Setting: Community pharmacies
- Payer: First party payers
- Outcomes: Improved surrogate markers
Direct revenue

Methods for Reimbursement

■ Methods for Reimbursement

– Specific method selected depends on the

■ Payer

– Medicare, Medicaid, Third Party Payers, First Party Payers

■ Setting

– Hospital based clinics, Physician clinics, Community pharmacies, Managed Health Care, Other

■ Professional

– Pharmacists

■ Other methods

– CLIA waived testing

Methods for Reimbursement

■ Payer

- Medicare
- Medicaid
- Third Party Payers
- First Party Payers

Methods for Reimbursement

■ Medicare

- Administered via Centers for Medicare and Medicaid Services (CMS)
- Providers are outlined in the Social Security Act
- Pharmacists can be providers of:
 - Mass immunizers
 - Durable medical equipment
 - Diabetes Education Services
 - MTMS Services
- Alternative strategies may be available for billing

Mass Immunizers

- Payment for the vaccine, administration
- Mass immunizer provider status
 - Pharmacist vs Pharmacy
 - Pharmacies/Institutions bill under their Medicare number
- State laws specify whether pharmacists can immunize and outline requirements
- CPT codes
 - Different for Medicare and Non-Medicare
 - G0008, G0009 vs 90657, 90471
- ICD-9 codes
 - V04.81 for influenza
 - V03.82 for pneumonia

DME (durable medical equipment)

- Medicare Part B
- Canes
- Walkers
- Hospital beds
- Scooters
- Respiratory equipment
- Supplies for diabetes, ostomy, or wound care

Outpatient Diabetes Self-Management Training (ODSMT)

- The training must be ordered by the physician or qualified nonphysician provider.
- Services must be provided by an ADA certified multidisciplinary team.
 - Must include a dietitian and certified diabetes educator (may be a pharmacist).
- Medicare beneficiaries; paid by Medicare Part B.
- Payment to employer/facility.
- “Allows the pharmacist to become a revenue stream for the hospital.”
- Covers up to 10 hours of training
 - HCPCS code G0108 – individual and G0109 – group training
 - Coverage through Medicaid and private insurance varies

MTMS: New Advances in DIRECT Billing for Pharmacy Services

- CPT-III is a set of temporary codes for emerging technology, services, and procedures. Allows for data collection and reporting.
- Medication Therapy Management
 - 0115T - Medication therapy management service(s) provided by a pharmacist, individual, face-to-face with patient, initial 15 minutes, with assessment, and intervention if provided; initial encounter
 - 0116T - subsequent encounter
 - +0117T - each additional 15 minutes

Methods for Reimbursement

- Alternative Strategies
 - “Incident to” Physician Services
 - Outpatient Prospective Payment System
 - Direct billing
 - CLIA waived labs

Methods for Reimbursement

■ Incident to Physician Services

- Only for physician offices
- Physician charges for non-physician services
- Strict criteria for use
- Low level of reimbursement
- Restricted to CPT code 99211

Methods for Reimbursement

■ Incident to Physician Services

– Criteria for use

- Integral component of the physician's diagnosis and treatment
- Provided under direct supervision of physician
- Employee of the physician (this was removed)
- Ordinarily done in a physician's office / clinic
- Services must be documented and medically necessary in order for payment to be made

Methods for Reimbursement

■ Outpatient Prospective Payment System

- Only for hospital-based clinics
- Two components to the fee
 - Professional Fee
 - Technical Fee or “Facility Fee”
- Utilizes the APC codes (600, 601, 602)
- Hospital gets to define the code criteria
- Reimbursement is made to the hospital

Billing Mechanisms

■ CMS-1500

- Outpatient visits to physician
- Immunizations
- Laboratory Billing (CLIA Waivers)

■ Superbills (UB-92/CMA 1450)

- Outpatient hospital based clinics
- Inpatient Services

■ Others

- PCCF (Pharmacist Care Claim Form)
- Electronic Submission

Sample UB-92 Form

42 Rev CD	43 Description	44 HCPCS/Rates	45 Date	47 Charges
510	Clinic	99211	4-1-05	32.00
510	Clinic	99211		34.00
300	PT/INR	85610		53.00

67 PRIN. DIAG. CD
ICD-9: 427.31 (A.Fib)

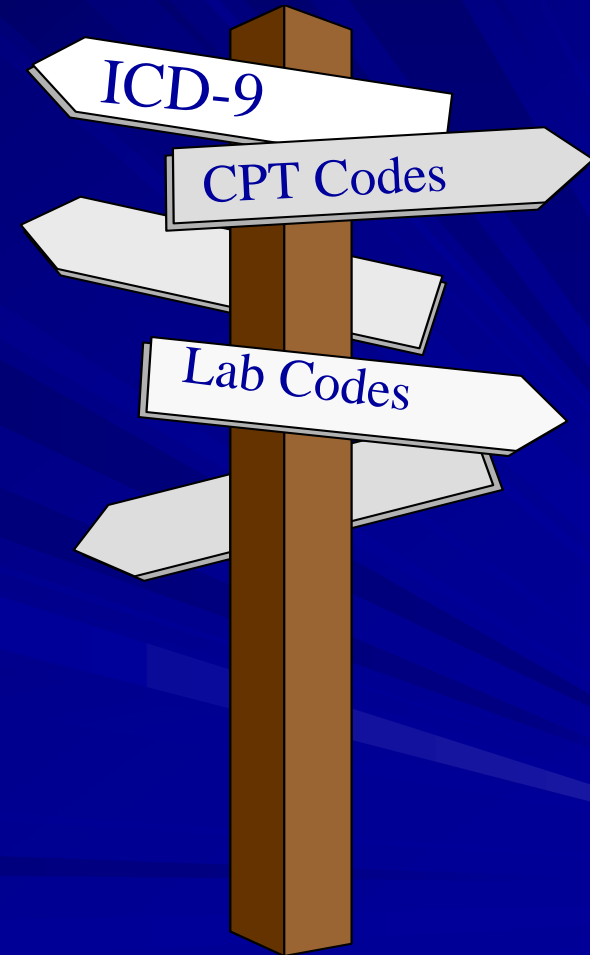
Example Revenue Codes

■ General laboratory	300
■ Hematology	305
■ General Clinic	510
■ Other Clinic	519
■ Treatment room	761
■ General Cardiology	480
■ Rural Health Clinic	521

Superbills

■ “Superbills”

- Helps manage all the coding
- Usually contains common
 - CPT codes
 - ICD-9 codes
 - Lab codes
 - Insurance information



Methods for Reimbursement

- Direct billing
 - First pay payers or cash based services

Methods for Reimbursement

- CLIA-waived laboratory testing
 - Low complexity laboratory tests
 - Typically finger stick tests
 - Examples: blood glucose, INR, Cholesterol
 - Request reimbursement for lab tests
 - Pharmacist can serve as the laboratory director
 - Must have a CLIA waiver
 - Can request Medicare number for labs
 - Can request Medicaid number for labs

Methods for Reimbursement

■ Payer

- Medicare
- Medicaid
- Third Party Payers
- First Party Payers

Methods for Reimbursement

■ Medicaid

- Administered by CMS
- States can modify regulations via a waiver to include pharmacists
- Examples:
 - Mississippi Medicaid Project
 - Iowa Medicaid Pharmaceutical Case Management Program
 - Missouri Disease Management Program

Methods for Reimbursement

■ Payer

- Medicare
- Medicaid
- **Third Party Payers**
- First Party Payers

Methods for Reimbursement

■ Third Party Payers

- Can be fee-for-service
- Can be capitation / managed care
- Each payer may be different
 - Credential providers
 - Different requirements for credentialing providers
 - Different providers recognized
 - Different CPT codes may be allowed
 - Different reimbursement rates they will pay out
 - Prior authorization
 - Find out which CPT code to use
 - Authorized to provide a service per patient
 - Just submit and go

Methods for Reimbursement

■ Third Party Payers

– CLIA-waived labs

- May be able to submit these services
- Capitated payers may have a specific lab contracted and reject submission

Methods for Reimbursement

■ Payer

- Medicare
- Medicaid
- Third Party Payers
- **First Party Payers**

Methods for Reimbursement

■ First Party Payers

- Cash based services
- Quick turn around time for payment
- Can use for services that are not covered by Third Party Payers
- CLIA-Waived testing

Methods for Reimbursement

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- Setting

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- Professional

- Pharmacists

- Other methods

- CLIA waived testing

Methods for Reimbursement

- Hospital-Based Clinics
 - Medicare ~ Prospective Payment System
 - Third Party
 - First Party
 - CLIA
- Physician Clinics
 - Medicare ~ Incident to
 - Third Party
 - First Party
 - CLIA

Billing in Hospital-Based Clinics

- Services provided by non-Medicare Providers are considered part of the overall facility fee billed by hospitals for each patient visit
- August 2000 – Medicare Outpatient Prospective Payment System became effective – standardized the facility fee with APCs (ambulatory payment classification)
 - APCs are based on CPT codes

Billing in Hospital-Based Clinics

- Outpatient visit CPT codes for technical services are used on a “super-bill” which also documents time spent or complexity level of “technical activities”
 - Time vs complexity based criteria are defined at institutional level
 - CPT codes mapped to the appropriate APC codes:
 - 99211 and 99212 to APC 0600
 - 99213 to APC 0601
 - 99214 to and 99215 to APC 06012

Billing in Hospital-Based Clinics

- Pharmacist sees patient
 - Documents visit (see attached examples)
 - Fills out encounter form (“super-bill”)
 - CPT codes, ICD-9 codes, procedure codes
- Billing personnel enters data electronically in UICMC billing system
 - Revenue code entered
- Billing system produces UB-92 (CMS-1450) which is filed electronically with CMS and insurance companies

Billing in Hospital-Based Clinics

- The MD (medical director, PCP, referring MD) is referenced on the bill who is overseeing the care, but is not billing for a professional service – it is the hospital who is billing for the service.
- Payments received and credited to the Clinic (usually discounted) from CMS and other insurance companies.

Billing in Physician Clinics

- Bill for professional fees only and not facility fees
 - Different than pro fees for hospitals
- Can only bill Medicare under the “incident-to” criteria and at the lowest CPT level (99211)
- Other payors may be billed at higher levels but may not pay at this rate

Billing in Physician Clinics

- Pharmacist sees patient
 - Documents visit in medical record
 - Fills out encounter form (“super-bill”)
 - CPT codes, ICD-9 codes, procedure codes
- Billing sheet (CMS 1500) submitted to CMS or other payors

Methods for Reimbursement

■ Community Pharmacy

- Medicare (before MTMS, no avenue)
- Third Party Payers
- First Party Payer
- CLIA

■ Managed Health Care Organizations

- Contract with HMO

Barriers

- Familiarity with billing regulations and terminology
- Identifying “KEY” people in billing department and administration
- Understanding billing mechanism and “revenue/cash” flow
- Contractual agreement/s for revenue return if use indirect billing mechanisms
 - how do you get funds back ???

Reimbursement Controversies

- Pharmacists are not recognized as providers by Medicare
 - Exceptions: MTM-part D, immunizers, DSMT
- Hospital outpatient clinics
 - Facility fees only
 - Local and regional variation in interpretation of reimbursement for APC's, facility fees
 - Difficult to get CMS to confirm any one interpretation
- Office based physician practices
 - “incident-to” MD billing at low level only
- Difficult to cost-justify positions when other practitioners can bill (NP, PA, MD) at much higher rates

Reimbursement Controversies

- Difficult to justify service based on cost-avoidance rather than revenue generating
 - Antithrombosis Center at UICMC
- Must generate revenue several times above your salary to support a service, and bill even more

Where are we headed?

- Direct billing
- Approved CPT codes
 - Temporary codes ?
- Provider status ?
 - New legislation
 - Medicare Clinical Pharmacist Practitioner Services Coverage Act of 2004 (HR 4624)
 - Would allow Medicare Part B payment for clinical services under collaborative practice agreements

Self-Study / Discussion Slides

Billing Scenarios: Medicare

- MD Office:
 - If the R.Ph. Is employed by MD, and the pharmacist sees the patient for PT/INR monitoring, the MD is in the office, can the pharmacist bill CPT 99211 ?
- The MD can bill 99211, not the R.Ph.
- All incident to requirements must be met.

Billing Scenarios: Medicare

- R.Ph. Runs an AC in which patients have their blood drawn by the clinic lab. The patient is called with the result and instructions.
- Can the R.Ph bill for the service ?

Billing Scenarios: Medicare

- R.Ph. sees the patient for AC management. Pt c/o s/sx CVA. MD is called in and also sees the patient.
- Can the R.Ph. Bill for the visit ?
- What level of service can be billed ?

Billing Scenarios: Medicare

- Hospital outpatient clinic
 - R.Rh. Runs an AC clinic. The R.Ph. Checks PT/INR in clinic, and evaluates the patient. The clinic is on campus and the MD is “on the premises”
 - Can the R.Ph. Bill for the service ?
 - What codes ? (CPT, APC, Revenue)
 - Lab
 - Professional fee vs. technical fee

Billing Scenarios: Medicare

- If the AC Clinic is not on hospital premises are the services covered ?
- Employment status of R.Ph. and MD ?
- Does the MD have to sign off on “incident to” service ?