Creating a Fee Schedule for the Pharmacist CPT Codes based on Revenue Value Units (RVUs)

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TOGETHER WE MAKE A GREAT TEAM

Objectives

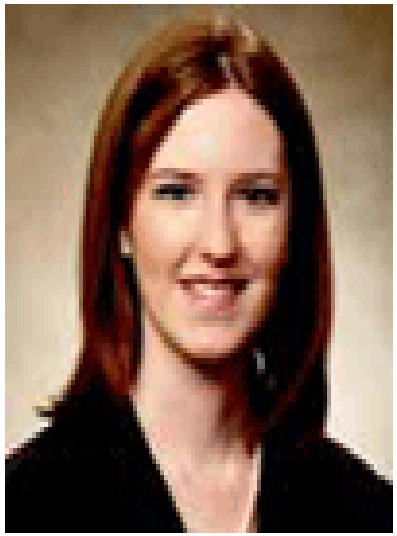
- Define revenue value unit (RVU) in the context of billing for pharmacist services
- List reasons why a RVU based model of productivity may be beneficial when used with the MTM codes
- Describe barriers to implementing a MTM code/RVU model when billing for pharmacist services
- Discuss one clinic's attempt to use the MTM codes with RVUs as justification

Presenter

Amy L Stump, Pharm.D., BCPS is a Clinical Assistant Professor of Pharmacy Practice with the University of Wyoming School of Pharmacy and the UW Family Practice Residency Program (UWFP) at Cheyenne. She provides teaching to medical residents and medical and pharmacy students regarding appropriate usage of pharmacotherapy on a day-to-day basis as well as in an on-going noon conference lecture series. She also provides patient care in the UWFP Pharmacotherapy Clinic.

Doctor Stump graduated from the University of Nebraska Medical Center College of Pharmacy, and completed a Primary Care Specialty Residency with Mission Hospitals/MAHEC in Asheville, North Carolina. Prior to joining the faculty at the University of Wyoming in 2006, Doctor Stump was faculty with the Auburn University School of Pharmacy and the University of Alabama-Tuscaloosa School of Medicine Department of Community and Rural Medicine.

Her professional interests include billing for pharmacy services, chronic disease management and medication access in elderly and indigent populations. In her free time, Doctor Stump enjoys reading historical fiction, hiking and spending time with her family.



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University of Wyoming Family Medicine (UWFM) Residency Training Program at Cheyenne

- **A variety of Learners**
  - 18 medical residents
  - 2 pharmacy residents
  - 2 clinical psychology "post-docs"
  - Students of all kinds!

- **A variety of Faculty**
  - 7 family medicine physicians
  - 2 pharmacists
  - 1 clinical psychologist
  - 1 geriatrician
  - 1 rheumatologist
  - 1 general surgeon
  - 1 business/practice management faculty

UWFM Pharmacotherapy Services

- **Inpatient service**
  - **Daily rounds with Family Medicine Service at Cheyenne Regional Medical Center**
- **Outpatient service**
  - **Pharmacotherapy Clinic**
    - Disease state management and education
      - Diabetes, hypertension, dyslipidemia, anticoagulation, etc
    - Medication history and review
    - Assessment of adherence and ability to afford medications
- **Nursing home service**
  - **Consults as requested**
  - **Monthly bedside rounds with Family Medicine Nursing Home Team**

Pharmacy Practice in Wyoming

- **Collaborative Practice**
  - **Approved by a committee made of both pharmacists and physicians**
  - **Allows for complete prescribing authority as well as ability to order any laboratory tests**

Some Business Perspective

- UWFM is a "stand-alone" office practice in the Cheyenne community
  - Supported by the University of Wyoming
- Pharmacists are members of the office practice
  - We go where our physicians go
- No on-site pharmacy
  - Pharmacists have faculty and clinical responsibilities, but no dispensing duties

Billing: What We Used to Do

- **Incident-to physician referral method**
  - **~$15,000 in receipts for fiscal year 2007-2008**
    - 3, ½-days of clinic per week (~25 patients per week)
  - **Charge "level 1" for Medicare patients**
  - **Charge appropriate level of service for all other patients seen**
  - **No fee for pharmacist visit in hospital or nursing home**
- **Average receipt was about $25 per patient**
- **Charges go out under program director's NPI**
  - **No payers would credential a pharmacist, only a pharmacy**
- **Documentation**
  - **SOAP note dictation to correspond with level/complexity of service**

Why Change Billing Systems?

- Charge for same day visit to Pharmacotherapy Clinic and a physician visit in the same office
  - Consult rules
- Charge for services rendered in nursing home and hospital for face-to-face encounters
- May bring in an appropriate amount of revenue to the practice based on the high level of services provided

MTM Codes

CPT Code	Description	Time
99605	Initial patient visit	15 minutes
99606	Established patient visit	15 minutes
99607	Additional time with initial or established patient	15 minutes

A Bright Idea

- Justify the use of the MTM codes in medical billing language
  - Use revenue value units
- Might be a better way to negotiate with payers and actually get paid

Definition

- **Relative Value Units (RVUs)**
  - **Nonmonetary, relative units of measure that indicate the value of health care services and resources consumed when providing different procedures and services**
  - **Used as a standardized method of analyzing resources involved in the provision of services or procedures**
  - **Assigned to CPT codes to describe resources needed to perform a particular service**
  - **Developed for CMS for Medicare reimbursement**
  - **American Medical Association makes recommendations for value assignment**

Creating the Fee and RVU Schedule: Who Was Involved

- Practice Management Faculty
  - Serves as the clinic business manager
- Business Office Manager
- Certified Coder
- Pharmacy Faculty

Items Reviewed

- Our current clinic fee schedule
  - Evaluation and Management (E&M) codes 99201-99205 and 99211-99215
- RVUs assigned to E&M codes
- Standard office visit time assigned to E&M codes
- Pharmacotherapy clinic charts to determine level of service/complexity of care routinely provided
- Typical visit length in Pharmacotherapy clinic
- New CPT codes for Medication Therapy Management (MTM)

Pharmacotherapy Chart Audit

- **Almost all patients seen were "established"**
  - **Wyoming collaborative practice requires referrals for services**
- **Most notes at the 99213 or 99214 service levels**
  - **Complex patients with multiple, uncontrolled disease states**
  - **Visits required much counseling/coordination of care**
    - Already billing based on time for ~50% of encounters
  - **Patients on high risk medications (i.e. warfarin)**

Established Patient E&M Codes Vs RVU Vs Time

E&M Code	RVU	Time
99211	0.17	5
99212	0.45	10
99213	0.92	15
99214	1.42	25
99215	2.00	40

Comparisons Made

E&M Code	RVU	Typical Visit Length	Estimate of MTM Code Use	Patient Visit Length in Pharm Clinic
99213	0.92	15 minutes	99606	15 minutes
99214	1.42	25 minutes	99606, 99607	30 minutes

- 99605: not relevant based on need for patients to be established for referral
- 99606: RVU = 0.92, identical to 99213
- 99607: RVU = 0.5, so that it is equal to

Thoughts Regarding Fee Schedule

- Unable to share actual fee schedule for legal reasons
- Used our physician fee schedule as a guide
- Charge for 99606 + 99607 was set for in-between the typical charge for 99213/99214
  - Most patient visits are at the 99213 or 99214 levels and typically a 15 to 30 minute visit Charge for 99606 was larger than 99607
  - Seemed backward to my billing office

Other Considerations

- Consultation rules
- NPI issues
- Advanced Beneficiary Notice of Noncoverage (ABN)
- What we told the patients
- Effect on documentation

Consult Rules

- Must be a formal, documented request from the referring physician
  - We use the pharmacotherapy clinic referral form
- Consultant documentation must include:
  - Who referred the patient
  - Why they were referred
- Consultant and PCP can see patient in the same facility on the same day and both charge for the patient visit

NPI Issues

- Still submitting claims under program director's NPI
- Payers will not credential a pharmacist, only a pharmacy
  - The pharmacist is considered to be "supervised" by the physician

Advanced Beneficiary Notice of Noncoverage (ABN)

- CMS form notifying patient that service is not covered by Medicare
- Must be filled out and signed by the patient at EACH non-covered encounter

What We Told the Patients

- Submitting charges to their insurance in a new way
  - May not be covered
- If they notice something strange on their bill, call the business office
- Self-pay patients still use the sliding fee schedule for the clinic
  - Their fees did not change though the coding did
- Created a pharmacy “write-off” code to track unpaid charges

Effect on Documentation

- **MUST document length of visit**
  - **MTM codes are <u>time</u> based codes**
- **To justify length of visit, also document complexity of visit to correspond with Evaluation and Management codes used with "incident-to" model**

Results: Did we get paid?

- **At the end of December 2008**
  - **MTM codes in use for 4.5 months**
  - **No reimbursement received from insurance**
    - All payers rejecting codes, no justification was good enough for payment, no willingness to negotiate fees
    - Only revenue received: patient co-pays
  - **Amount of charges written-off: ~$45,000**
  - **No attempt to use codes in the inpatient or nursing home settings**

Results: Productivity

- **Pharmacist productivity was similar to physician productivity when evaluated based on RVU**

Next Steps

- **Decided to revert back to incident-to-physician referral billing model**
  - **At least generating some revenue with this billing model**
  - **RVUs with this model show poor productivity compared to physicians due of high use of 99211**
  - **Practice would rather have the revenue as the value of the pharmacy service is understood**

Conclusions

- In a community-based medical practice use of MTM codes resulted in no revenue generation
- Attempts to justify use of MTM codes to payers based on productivity (RVUs) failed
- Billing for pharmacy services is so complicated that even having the backing of billing professionals may not be enough

Questions?