

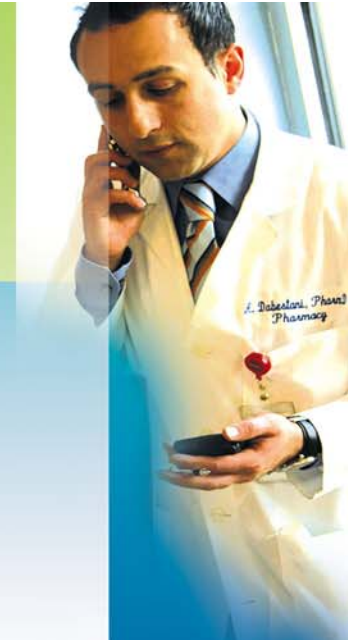


## Reimbursement for Clinical Pharmacy Services: Is There a Role for Facility Billing ?

Edith A. Nutescu, Pharm.D., FCCP  
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# Current Billing Models: Clinical Pharmacy Services

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# Objectives

- **Discuss current billing models for clinical pharmacy services**
- **Review definitions and mechanisms of facility billing**

# Milestones Affecting Billing Potential for Pharmacists

- **Although the profession is gathering momentum in its efforts to obtain reimbursement for cognitive services**
- **Historical barriers to success**
  - lack of understanding by the third-party payers of the pharmacists' role in patient care
  - lack of “appropriate” billing codes
  - the lack of provider status

Nutescu EA, Klotz RS. AJHP 2007;64:186-92.



# 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**
  - Pharmacotherapy clinics
  - Lipid clinics
  - Asthma
  - Anticoagulation clinics
  - Diabetes
  - Osteoporosis
  - Hypertension
  - Immunizations
  - Interventions at time of dispensing

# 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

# MTMS: New Advances in DIRECT Billing for Pharmacy Services

- Medication Therapy Management Codes
  - 99605 - 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
  - 99606 - subsequent encounter
  - 99607 - each additional 15 minutes

<http://www.ama-assn.org/ama/pub/category/3885.html>

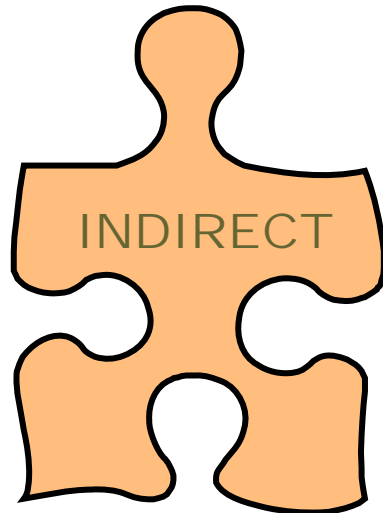




# MTMS: Current Limitations

- **Billing product insurer vs. medical insurer**
  - Medicare Part D vs. Medicare Part B
- **Status E under Medicare Part B**
  - E = Excluded from Physician Fee Schedule by regulation. These codes are for items and/or services that CMS chose to exclude from the fee schedule payment by regulation. No RVUS or payment amounts are shown and no payment may be made under the fee schedule for these codes. Payment for them, when covered, generally continues under reasonable charge procedures.
- **Medicare Part D**
  - Reimbursement “set/defined” by each payer

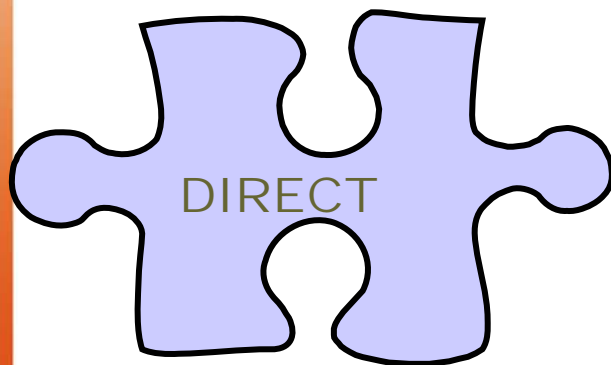
# Current Billing Strategies for Clinical/Cognitive Services?



**Bill sent to:** THIRD PARTY on behalf of the physician.

**Payment sent to:** Physician

**Applications:** Limited to situations where a pharmacist has a collaborative agreement with the physician or where the pharmacist is an employee of the physician practice or clinic.



**Bill sent to:** THIRD PARTY

**Payment sent to:** Pharmacist or Pharmacy

**Applications:** Limited to approved categories

# Methods for Reimbursement

- **Direct (Medicare, Third Party Payers)**
  - Providers are outlined in the Social Security Act
  - Pharmacists can be providers of:
    - Mass immunizers
    - Durable medical equipment
    - Diabetes Education Services
    - MTM Services
- **Indirect**
  - Alternative strategies (“Back door approaches”)
  - Billing on behalf of the physician
  - “Incident to” Physician Services
    - Outpatient Prospective Payment System
      - Facility (Technical Fee) billing
- **Others**
  - CLIA / POC

# 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 for Hospital-Based Clinics

- **Outpatient Prospective Payment System**
  - **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 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**

Am J Health Syst Pharm 2000;57(17):1557-8.



# 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

Microsoft Excel

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
8																
9	<b>Diagnosis / reason for visit</b>															
10	<b>INSTRUCTIONS</b>															
11	<b>Select all interventions to the highest level supported</b>							<b>If appropriate, select one or more contributory factors corresponding to the level of interventions</b>								
12	<i>All interventions must be documented in the medical record;</i>							<i>All contributory factors must be documented in the</i>								
13	<i>3 or more interventions = next level</i>							<i>medical record</i>								
14	<i>NOTE: Not all interventions will apply to all clinics</i>															
15	<b>INTERVENTIONS</b>							<b>CONTRIBUTORY FACTORS</b>								
16	<b>Level I Interventions (99201, 99211)</b>							<b>Contributory factors</b>								
17	- Registration and setup							- Altered mental status								
18	- Vital signs							- Arrangements for social services								
19	- Blood pressure check/recheck ONLY							- Scheduling/coordination of care (more than RTC)								
20	- Specimen collection (patient self-collects)							- Arrival/transfer to hospital/other facility (not home facility)								
21	<b>Level II Interventions (99202, 99212)</b>							- Mandatory reporting (police, DCFS, IC, etc.)								
22															- Isolation	
23	- Single specialized clinical measurement							- Simultaneous care by >1 staff								
24	- Suture/staple removal							- Special needs requiring additional facility resources (specify)								
25	- Wound management 15 sq cm or less							<b>COMMENTS</b>								
26	- Flush heplock															
27	- Face-to-face education (eg RN, PharmD) up to 15 min															
28	- Create/update med list (1-5 meds)															
29	- Face-to-face assessment (eg fall risk) up to 15 min															
30	- Create/update summary list (allergies, problems, surg hx)							<div style="border: 1px solid black; width: 50px; height: 20px; margin: 0 auto;"></div>								
31	<b>Level III Interventions (99203, 99213)</b>															
32																
33	Administration of med (other than injection)															



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
31	<b>Level III Interventions (99203, 99213)</b>														
32															
33	- Administration of med (other than injection)														
34	- Administration of single disposable enema														
35	- Apply splint/elastic bandage/sling/immob							<b>Patient Education</b> <i>(designate time spent per provider)</i>							
36	- Face-to-face education (eg RN, PharmD) 16-30 min														
37	- First aid procedures							Provider Name				Time			
38	- Foreign body removal of skin, subq or soft tissues														
39	- Frequent monitoring/assess 2 sets of vital signs														
40	- O2 administration														
41	- Specimen collection by nursing staff														
42	- Wound management 15-24 sq cm														
43	- Create/update med list (6-9 meds)														
44	- Face-to-face assessment (eg fall risk) 16-30 min														
45	<b>Level IV Interventions (99204, 99214)</b>							<b>Patient Assessment</b> <i>(designate time spent per provider)</i>							
46															
47	- Pain screening and assessment							Provider Name				Time			
48	- Assist physician with exam/chaperone														
49	- Catheter or ostomy device care														
50	- Face-to-face education (eg RN, PharmD) 31-45 min														
51	- Frequent monitoring/assess >2 sets of vital signs														
52	- Wound management 25-50 sq cm														
53	- Create/update med list (10 or more meds)														
54	- Face-to-face assessment (eg fall risk) 31-45 min														
55	<b>Level V Interventions (99205, 99215)</b>							<b>Facility Fee Level</b> <i>(circle one)</i>							
56															
57	- Assess behavioral crisis														

# Sample” Technical Fee Charges

- **ESTABLISHED PATIENTS**
  - Level 1: \$36.00
  - Level 2: \$53.00
  - Level 3: \$58.00
  - Level 4: \$89.00
  - Level 5: \$119.00

# Billing in Hospital-Based Clinics

- **Pharmacist sees patient**
  - Documents visit
  - 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.

# Barriers

- **Familiarity with billing regulations and terminology**
- **Identifying “KEY” people in department responsible for billing 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 ???**

# Where are we headed?

- **Direct billing**
  - **Approved CPT codes**
    - E Status
- **Provider status ?**
  - **“New” legislation**
    - Medicare Clinical Pharmacist Practitioner Services Coverage Act of 2004 (HR 4724)
      - Would allow Medicare Part B payment for clinical services under collaborative practice agreements
    - Bill Reintroduced last week
      - Pharmacist Clinician (New Mexico) and Clinical Pharmacist Practitioner (North Carolina)
      - **Have state legislature state pharmacy practice act to allow pharmacists to practice at this level**

# UIC: Our Progress to Date

- **Baseline “Feasibility” Analysis for MTM and ATC**
- **New Pharmacy CPT Codes vs Outpatient Facility Technical Fee Model**
  - **New CPT Codes**
    - ATC: 16% of visits reimbursable
    - MTM: 10% of visits reimbursable
  - **Technical Fee Model in place**
    - Time and complexity based criteria

ATC FY08 NET REVENUE PROJECTION (based on actual Q1 FY08 payer mix)

Volume      Total  
5800

Assumption: each visit has charges of

Est. MID Lvl Tech	\$58.00
POCT	\$50.00

Total charges	\$108.00
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Gross charges YTD=	\$626,400.0
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# Summary

- **Discuss current billing models for clinical pharmacy services**
- **Review definitions and mechanisms of facility billing**



# Implementing Facility Billing

**Laura D. Roller, Pharm.D., BCPS, CACP**  
**Supervisor, Ambulatory Pharmacy Services**  
**University Health Care**  
**Salt Lake City, UT**

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# Objectives

- **Apply facility billing in a practice setting**
- **Describe the implementation and process of facility billing**

# Clinical Services Provided at the University of Utah

- **Patient Education**
  - Diabetes
  - Anticoagulation
  - Hyperlipidemia
  - Hypertension
  - Asthma
  - Smoking cessation
  - HIV, neurology, dialysis
  - Immunizations

# Clinical Services Provided at the University of Utah

- **Medication Therapy Management**
  - Manage medications
  - Perform medication reconciliation
  - Pre-visit planning
  - Order medications
  - Order lab tests
- **Pharmacology consultation**
- **Refill protocol**
- **Immunization administration**

# Access to Pharmacy Services

- **Physician initiated--referral**
  - Paper
  - Electronic
- **Physician initiated—informal**
  - Inferred
  - “On the fly”
- **Pharmacist initiated**

# Types of Clinical Practice

- **Scheduled appointments**
- **Multidisciplinary team approach**
- **Physician visit**
- **Group visits**
- **Classes**
- **Combinations**
- **Immunization administration**

# Implementation

- **Get to know your facility's billing department and personnel**
- **Explain the concept of pharmacist billing to them**
- **Create a billing form**
- **Train clinicians to use the billing form**
- **Review billing data**



# Billing Process

- **Pharmacist completes billing form in EMR or on paper**
- **Include ICD-9 or ICD-10 codes**
- **Time and/or complexity of visit determines level billed**
- **Add procedures or medications administered**



**Pharmacy UH Thrombosis Center Area #104  
UUHC APC Documentation (Pharmacy Services)**

_____ UH Thrombosis Center		Service _____		
Diagnosis Code(s): _____				
<b>Triage:</b> Includes taking vital signs, reviewing chart, establishing reason for visit Up to 5 min            20 6-10 min                30 11+ min                 40		Triage Points _____		
<b>Patient Care Activity:</b> Includes gathering information from the patient, specimen collection, making an assessment and plan Up to 5 min            20 6-10 min                30 11+ min                 40		Pt Care Points _____		
<b>Education Time:</b> None                    0 Up to 5 min            30 5-15 min                40 16-30 min              50 31+ min                 60		Education Points _____		
<b>Special Other Needs (circle all that apply):</b>				
Interpreter Needed	10	Referral Processing Tasks	10	Special Needs Points _____
Agitated Patient	10	Patient transport up to 30 min	10	
Family Support	10	Mandatory documentation tasks (vaccine, abuse, etc)	10	
Altered Mental Status	15	Narcotic Contract	10	
Developmentally Challenged	10	Isolation Precautions Prep and Care	10	
Mobility Challenged (wheelchair, walker, cane, limp)	10			
<b>Follow-up:</b> Includes scheduling next visit, ordering future labs, etc. None                    0 Up to 5 min            5 6-15 min                10 16-30 min              15				Follow-up Points _____
<b>Facility Charge New Patient Level (circle one):</b> 5-40 points            10400067 45-70 points           10400075 75-100 points         10400083 105-140 points        10400091 145+ points            10400109		Roll With Clinic Visit _____	Total Points _____	
<b>Facility Charge Established Patient Level (circle one):</b> 5-40 points            10400018 45-70 points           10400026 75-100 points         10400034 105-140 points        10400042 145+ points            10400117				
IM/SQ Injection                    10400158 Lovenox per 10mg X _____ 10400125 Vitamin K tablets                   10400133 Glucose fngerstick                 10400141 Prothrombin time                    10400166		Signature Box		Initials



# Billing Process

- This billing gets transferred to the computerized billing system
- A HCFA 1450 is generated & sent to insurer regardless of reimbursement potential
- Difficult to get information on reimbursement versus billing

# Billing Process

- **Clinicians with patient appointments**
  - Level 1-5 facility billing
- **Clinicians seeing patients in conjunction with physician or other mid-level provider**
  - Enhance MA or nurse facility billing

## Example of facility billing for a pharmacist appointment

- SP is a 74 year old male with atrial flutter being seen in the Thrombosis Center for the first time. He is receiving clinic orientation, warfarin education, and dosing adjustment on this visit.
- He requires an interpreter and has a walker
- You will perform a fingerstick INR test



**Pharmacy UH Thrombosis Center Area #104  
UUHC APC Documentation (Pharmacy Services)**

_____ UH Thrombosis Center		Service _____		
Diagnosis Code(s): _____				
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# Examples

- **Scheduled appointments—facility billing**
- **Multidisciplinary team approach—enhanced facility billing**
- **Physician visit—enhanced facility billing**
- **Group visits—enhanced facility billing**

## So, why are we in practice?

- **Cost avoidance**
- **ADE prevention**
- **Some facility fee support**
- **Medical staff support**
- **Mostly—retail pharmacies make enough to support us**



## Other types of billing in a facility setting

- **Classes—fee for service**
- **Pharmacist billing codes**
- **Immunization administration-administration fee**
- **Other billables—medications administered, point of care testing**

# What is our future?

- **Pharmacist CPT codes**
- **Negotiate with payers under Medicare part D**
- **Provider status—Medicare part B**

# Summary

- **Apply facility billing in a practice setting**
- **Describe the implementation and process of facility billing**



# QUESTIONS?