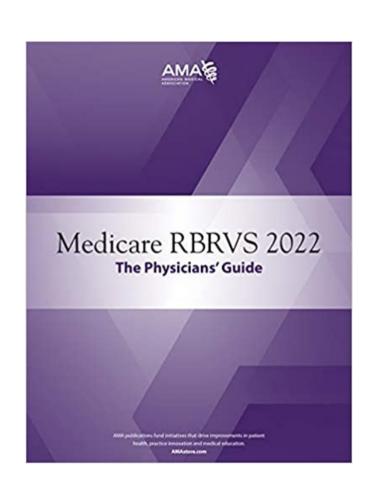
2023 Coding and Reimbursement

Michael Granovsky MD, CPC, FACEP President, LogixHealth

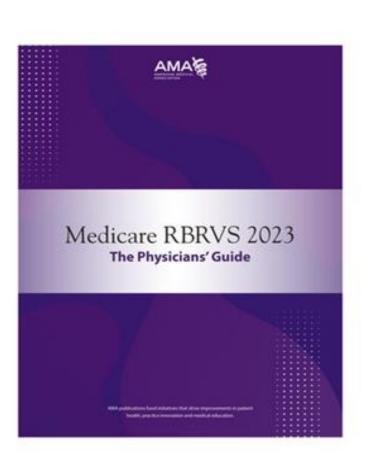
David McKenzie CAE

ACEP Reimbursement Director

RBRVS Equation



Work RVUs
Practice Expense RVUs
+Liability Insurance RVUs
Total RVUs for a given code



RVU_{Total} X Conversion Factor (CF) = Medicare Payment

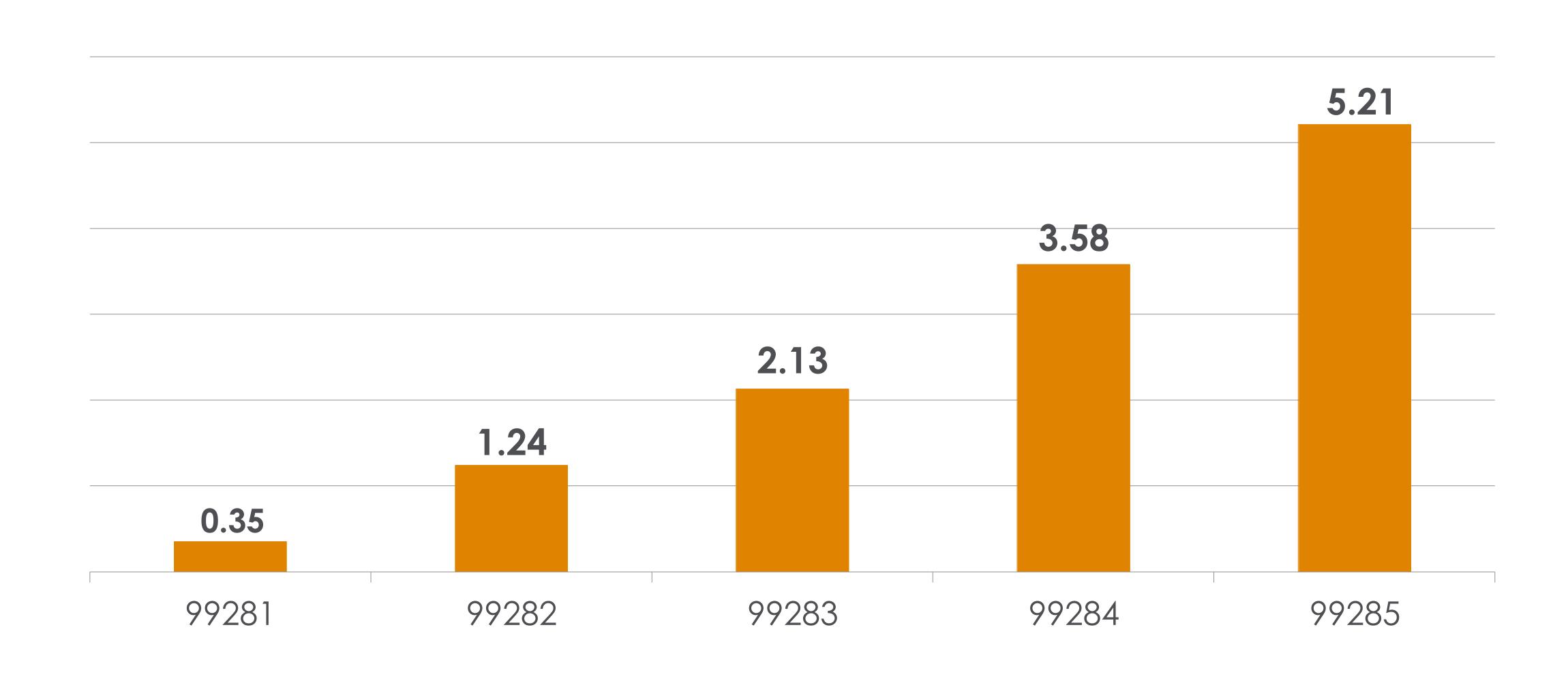
2023 Work RVUs Stable

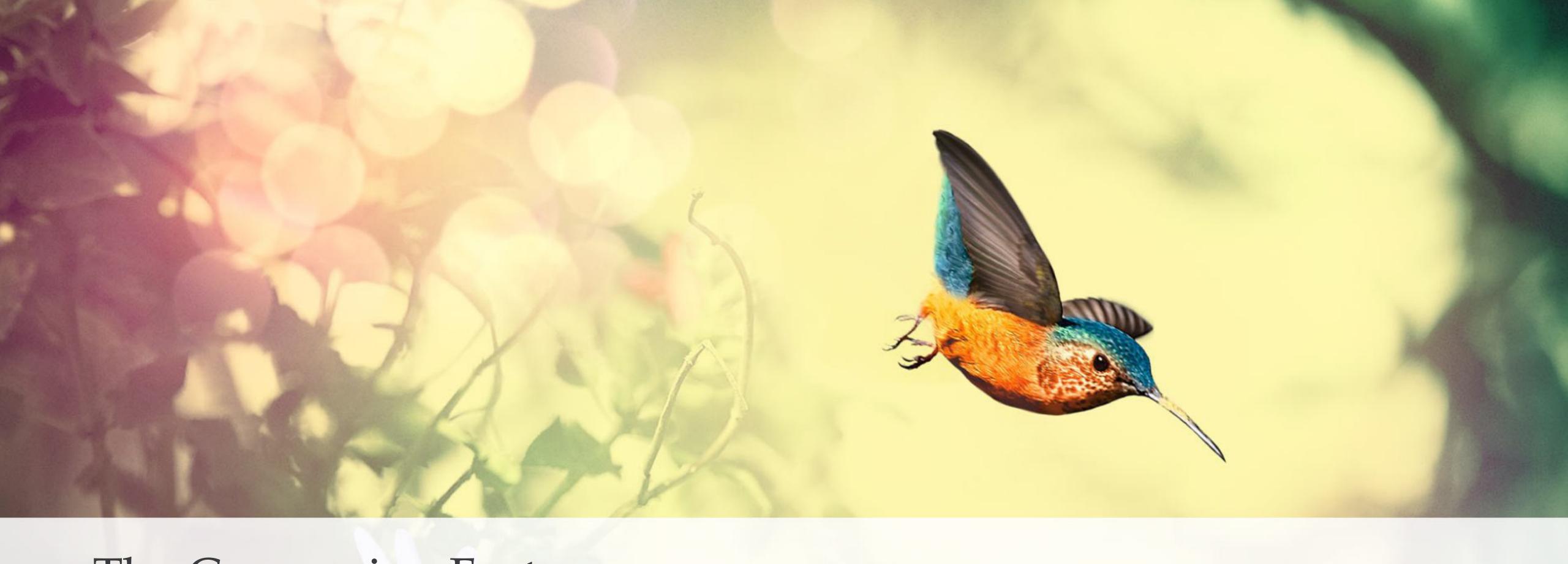
Code	2022 Work RVU	2023 Work RVU
99283	1.60	1.60
99284	2.74	2.74
99285	4.00	4.00

2023 RVU Component Detail- Small Increases

Code	2023 Work	2022 Work	2023 PE	2022 PE	2023 PLI	2022 PLI	2022 Total	2023 Total
99281	0.25	0.48	0.06	0.11	0.04	0.05	0.64	0.35
99282	0.93	0.93	0.21	0.21	0.10	0.10	1.24	1.24
99283	1.60	1.60	0.35	0.33	0.17	0.18	2.11	2.13
99284	2.74	2.74	0.57	0.54	0.29	0.27	3.56	3.58
99285	4.00	4.00	0.79	0.75	0.42	0.42	5.17	5.21

2023 RVU Increases With Each E/M Level





The Conversion Factor



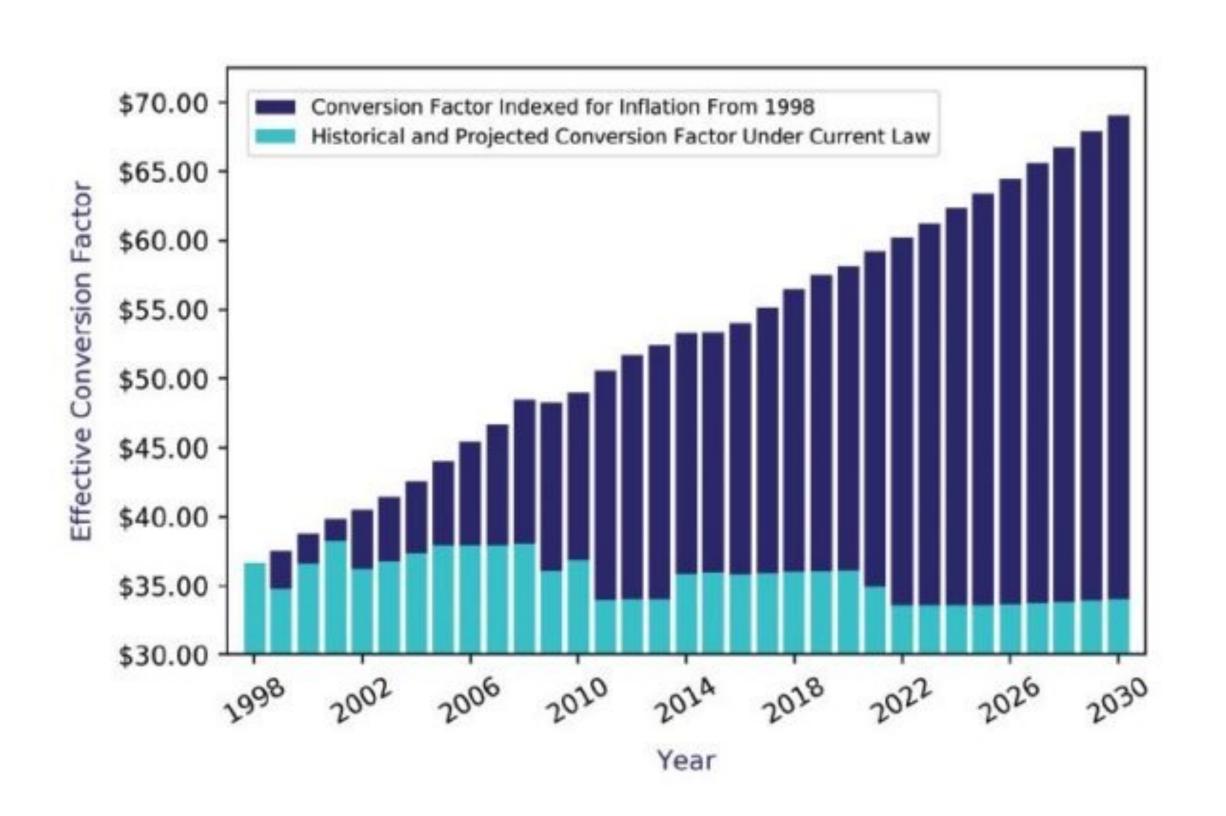
2023 Conversion Factor Challenges

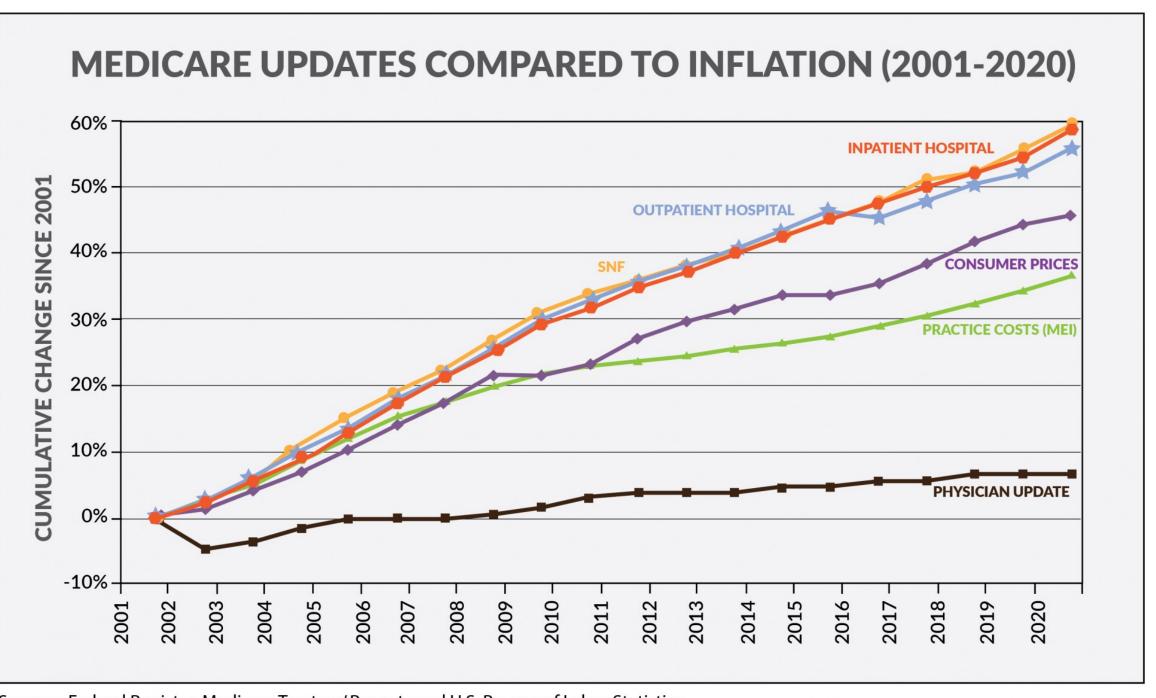
- Office visits went up substantially 2021, represent 20% of total Medicare physician cost
- Budget neutrality triggered
 >\$20M spending increase

"Section 1848 of the Act requires that increases or decreases in RVUs may not cause the amount of expenditures for the year to differ by more than \$20 million. If this threshold is exceeded, we make adjustments to preserve budget neutrality."

Physician Final Rule

Conversion Factor: Not Keeping Up





Sources: Federal Register, Medicare Trustees' Reports and U.S. Bureau of Labor Statistics

The Medicare Conversion Factor: Adjusted Annually

- Since 2021 have gotten a little help from Congress.
- Final Rule doesn't account for last year's 3% and cuts another -1.6%

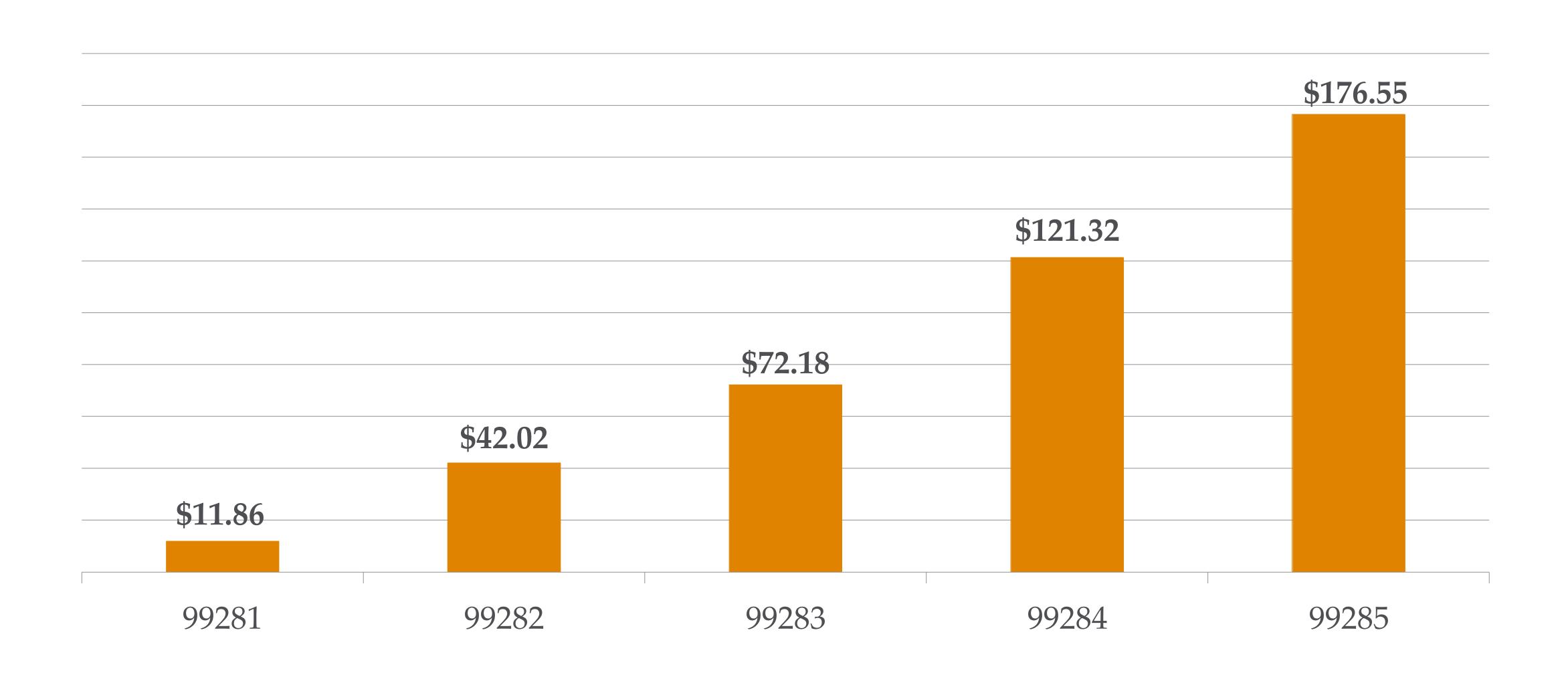
TABLE 146: Calculation of the CY 2023 PFS Conversion Factor

CY 2022 Conversion Factor		34.6062
Conversion Factor without CY 2022 Protecting Medicare and		33.5983
American Farmers from Sequester Cuts Act		
Statutory Update Factor	0.00 percent (1.0000)	
CY 2023 RVU Budget Neutrality Adjustment	-1.60 percent (0.9840)	
CY 2023 Conversion Factor		33.0607

Congress has provided 2.5% in new money allowing CMS on January 5th to finalize a higher 2023 Final Conversion Factor of \$33.8872

Year	Conversion Factor
2018	\$35.9996
2019	\$36.0391
2020	\$36.0896
2021	\$34.8931
2022	\$34.6062
2023	\$33.8872

2023 CMS National Fee Schedule

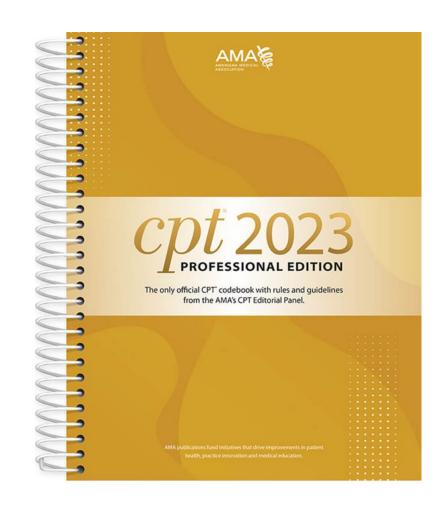


2023 CPT E/M Guidelines for the ED



2023 CPT E/M Guideline Changes

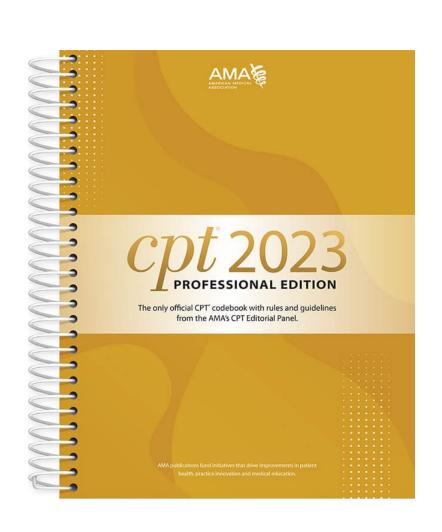




Revision of Emergency Department E/M Services

99281-99285

Effective January 1, 2023



2023 CMS Comments Regarding The 2023 Documentation Guidelines

"We proposed to adopt the CPT guidelines for determining MDM levels, and we understand that the specialty societies contributed to their revision for 2023 through the AMA Workgroup and CPT processes. Suggestions for additional revisions can be made to the AMA/CPT, and we will consider any future changes to the MDM guidelines for future rulemaking."

2023 Physician Final Rule 579/3304



CMS and Critical Care Timing

Critical Care

- No CPT changes to the code descriptors like ED or Observation
- Big changes in CMS rules on counting time thresholds for adding a unit of 99292
- RVUs stable at 4.50 work 1.39 PE and 0.42 PLI totaling 6.31
- 2022 RVUs were 4.50 work 1.42 PE and 0.41 PLI totaling 6.33

Time Issues in Critical and Prolonged Care Codes

- CMS is <u>not</u> in alignment with CPT on the long-established time thresholds for critical care codes 99291 and 99292.
- It insists on an additional buffer before the add on codes can be reported "As correctly stated elsewhere in the CY 2022 PFS final rule (regarding critical care furnished by single physicians at 86 FR 65160, and regarding concurrent care furnished by multiple practitioners in the same group and the same specialty to the same patient at 86 FR 65162), our policy is that CPT code 99291 is reportable for the first 30-74 minutes of critical care services furnished to a patient on a given date. CPT code 99292 is reportable for additional, complete 30-minute time increments furnished to the same patient (74 + 30 = 104 minutes). We clarify that our policy is the same for critical care whether the patient is receiving care from one physician, multiple practitioners in the same group and specialty who are providing concurrent care, or physicians and NPPs who are billing critical care as a split (or shared) visit."
- Also impacts observation services, which can be time based

2023 CPT Time Threshold Tables

Total Duration of Critical Care	Codes
less than 30 minutes	appropriate E/M codes
30-74 minutes (30 minutes - 1 hr. 14 min.)	99291 X 1
75-104 minutes (1 hr. 15 min 1 hr. 44 min.)	99291 X 1 AND 99292 X 1
105-134 minutes (1 hr. 45 min 2 hr. 14 min.)	99291 X 1 AND 99292 X 2
135-164 minutes (2 hr. 15 min 2 hr. 44 min.)	99291 X 1 AND 99292 X 3
165-194 minutes (2 hr. 45 min 3 hr. 14 min.)	99291 X 1 AND 99292 X 4
195 minutes or longer (3 hr. 15 min etc.)	99291 and 99292 as appropriate (see illustrated reporting examples above)

► Total Duration of New Patient Office or Other Outpatient Services (use with 99205)	Code(s)
less than 75 minutes	Not reported separately
75-89 minutes	99205 X 1 and 99417 X 1
90-104 minutes	99205 X 1 and 99417 X 2
105 minutes or more	99205 X 1 and 99417 X 3 or more for each additional 15 minutes



Shared Visit Performance Requirement

- Longstanding CMs policy allows Physician NPI billing if a "substantive portion" of an APP shared visit performed
- 2022 Final Rule addresses how to define "substantive portion":
 - more than half of the total time spent performing the shared visit; OR
 - one of the three key components: history, exam, OR MDM

"If MDM is used as the substantive portion, <u>each practitioner could</u> <u>perform certain aspects of MDM</u>, but the billing practitioner must perform <u>all portions or aspects of MDM</u> that are required to select the visit level billed."

2022 CMS Physician Fee Schedule Final Rule page 425/2414

2023 ED Shared Services-Will You Make The ED Track Time?

"Having reviewed the public comments and consulted with our medical officers, we do not believe that an alternative process for ED visits is the best approach at this time. As we discussed above, only for 2022, we will allow history, or exam, or MDM, or more than half of the total time, to comprise the substantive portion of any E/M visit (including ED visits) except critical care. Starting in 2023, the finalized listing of qualifying activities will apply to all split E/M visits except critical care, for purposes of determining the substantive portion."

Page 434 2022 Physician Final Rule

TABLE 26: Final Definition of Substantive Portion for E/M Visit Code Families

E/M Visit Code Family	2022 Definition of Substantive Portion	2023 Definition of Substantive Portion
Other Outpatient*	History, or exam, or MDM, or more than half of total time	More than half of total time
Inpatient/Observation/Hospital/Nursing Facility	History, or exam, or MDM, or more than half of total time	More than half of total time
Emergency Department	History, or exam, or MDM, or more than half of total time	More than half of total time
Critical Care	More than half of total time	More than half of total time

2023 Shared Services: A Victory!

"As part of our ongoing engagement with interested parties, we are hearing continued concern about the implementation of our phased in approach with regard to defining "substantive portion" only as more than half of the total time of the visit, and continue to receive requests that we also recognize MDM as the substantive portion"

CMS Physician Final Rule page 669/3304

"After considering the public comments we received, we are finalizing our proposed policy to **delay implementation** of our definition of the substantive portion as more than half the total practitioner time until **January 1, 2024.**"

CMS Physician Final Rule page 672/3304

Good News: E/M Shared Visits Include Critical Care

"We also proposed to modify our policy to allow physicians and NPPs to bill for shared visits for both new and established patients, and for critical care and certain Skilled Nursing Facility /Nursing Facility (SNF/NF) E/M visits. We proposed these modifications to the current policy and conditions of payment to account for changes that have occurred in medical practice patterns, including the evolving role of NPPs as part of the medical team."

2022 CMS Physician Fee Schedule Final Rule page 425/2414

Good News: Critical Care Policies

Critical Care and 9928X

"A patient might not require critical care services at the time of an ED visit, but then be admitted to the hospital on the same calendar date as the ED visit and require care that meets the definition of critical care services."

2022 Physician Final Rule Page 462

But...9928x Must Come First

"Specifically, as long as the physician documents that the E/M service was provided <u>prior to the critical care</u> service at a time when the patient did not require critical care, that the service is separate and distinct... Practitioners must use modifier -25 on the claim when reporting these critical care services."

2022 Physician Final Rule Page 463

Shared Critical Care with PA/NP OK

"For critical care visits, starting for services furnished in CY 2022, the substantive portion will be more than half of the total time, as proposed."

2022 Physician Final Rule Page 431

New CPT Code for Suture Removal - No RVUs

- + 15853 Removal Suture or Staples NOT requiring Anesthesia
- +15854 Removal of Sutures AND Staples NOT requiring Anesthesia (List separately in addition to E/M Code)
 (Use in conjunction with 9928x...)

#**+** 15854

Removal of sutures and staples not requiring anesthesia (List separately in addition to E/M code)

CPT Changes: An Insider's View 2023

► (Use 15854 in conjunction with 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, 99215, 99281, 99282, 99283, 99284, 99285, 99341, 99342, 99344, 99345, 99347, 99348, 99349, 99350) ◄

CPT	Description	Work	Non Fac. PE	Fac. PE	PLI	Non Fac. Total	Fac. Total
15853	Removal sutr/stapl xreq anes	0.00	0.33	NA	0.01	0.34	NA
15854	Removal sutr&stapl xreq anes	0.00	0.46	NA	0.02	0.48	NA



ED Principles Reiterated By CPT For 2023

- No Distinction between new and established patients
- Time may not be used to select ED codes
- Critical Care and ED services allowable on the same day
 - If patient condition changes after the ED services provided
- Consultations in the ED
 - Consultations performed in the ED reported with office or outpatient consultation codes 99241-99245
- Physician convenience- If a patient is seen in the ED for convenience of a physician the office or other outpatient codes (99201-99215) apply
 - New vs established will apply for office codes

2023 ED: It Really Is All About the MDM

2023 CPT 99281-99285 Descriptors

499284

▲ 99281	Emergency department visit for the evaluation and management of a
	patient that may not require the presence of a physician or other qualified
	health care professional

- ▲99282 Emergency department visit for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and straightforward medical decision making
- ▲99283 Emergency department visit for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and low level of medical decision making
 - Emergency department visit for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and moderate level of medical decision making
- ▲99285 Emergency department visit for the evaluation and management of a patient, which requires a medically appropriate history and/or examination and high level of medical decision making

99285 2022

99285 Emergency department visit for the evaluation and management of a patient, which requires these 3 key components within the constraints imposed by the urgency of the patient's clinical condition and/or mental

A comprehensive history;

status:

- A comprehensive examination; and
- Medical decision making of high complexity.

Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs.

Usually, the presenting problem(s) are of high severity and pose an immediate significant threat to life or physiologic function.



Same Day Observation CPT Codes Continue

2023 Same day admit and discharge CPT Codes:

- 99234 Low-complexity MDM
- 99235 Moderate-complexity MDM
- 99236 High-complexity MDM



2023 99234-99236 have updated definitions!

2023 Same Day Admit and Discharge Combine Inpatient and Observation

Inpatient and Observation services combined under a single numeric code

- 99234 Hospital inpatient or observation care, including admission and discharge on the same date; low medical decision making
- 99235 Hospital inpatient or observation care, including admission and discharge on the same date; moderate medical decision making
- 99236 Hospital inpatient or observation care, including admission and discharge on the same date; <u>high</u> medical decision making

Observation Initial Day CPT Codes Big Changes

- Admit and discharge more than one calendar day:
- Initial day CPT codes:
 - 99218 Low complexity MDM...DELETED
 - 99219 Moderate complexity MDM ... DELETED
 - 99220 High complexity MDM...





2023 Initial Day Obs Service Now Combined With Inpatient

Inpatient and Observation services combined under a single numeric code

- 99221 Initial hospital inpatient or observation care, per day, straight forward or low medical decision making
- 99222 Initial hospital inpatient or observation care, per day, moderate medical decision making
- 99223 Initial hospital inpatient or observation care, per day, high medical decision making

Observation Discharge Code Big Changes

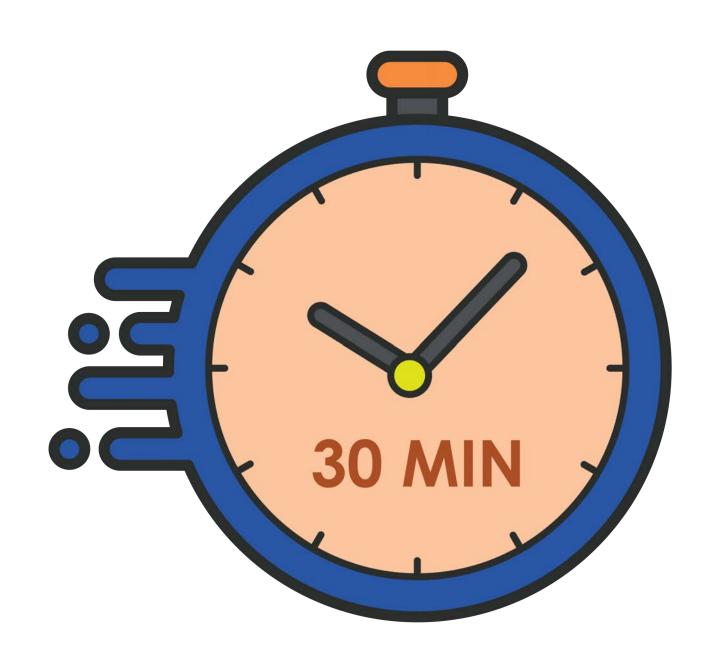
Discharge Day CPT Code:

- 99217- Discharge Day...DELETED
- Includes final exam, discussion of observation stay, follow-up instructions, and documentation
- Used with codes from the initial observation day codes series (99218/99219/99220)

2023 Obs Discharge Service: Now Combined with Inpatient and Time Based

▲ 99238 Hospital inpatient or observation discharge day management; 30 minutes or less on the date of the encounter

▲ 99239 Hospital inpatient or observation discharge day management; more than 30 minutes on the date of the encounter



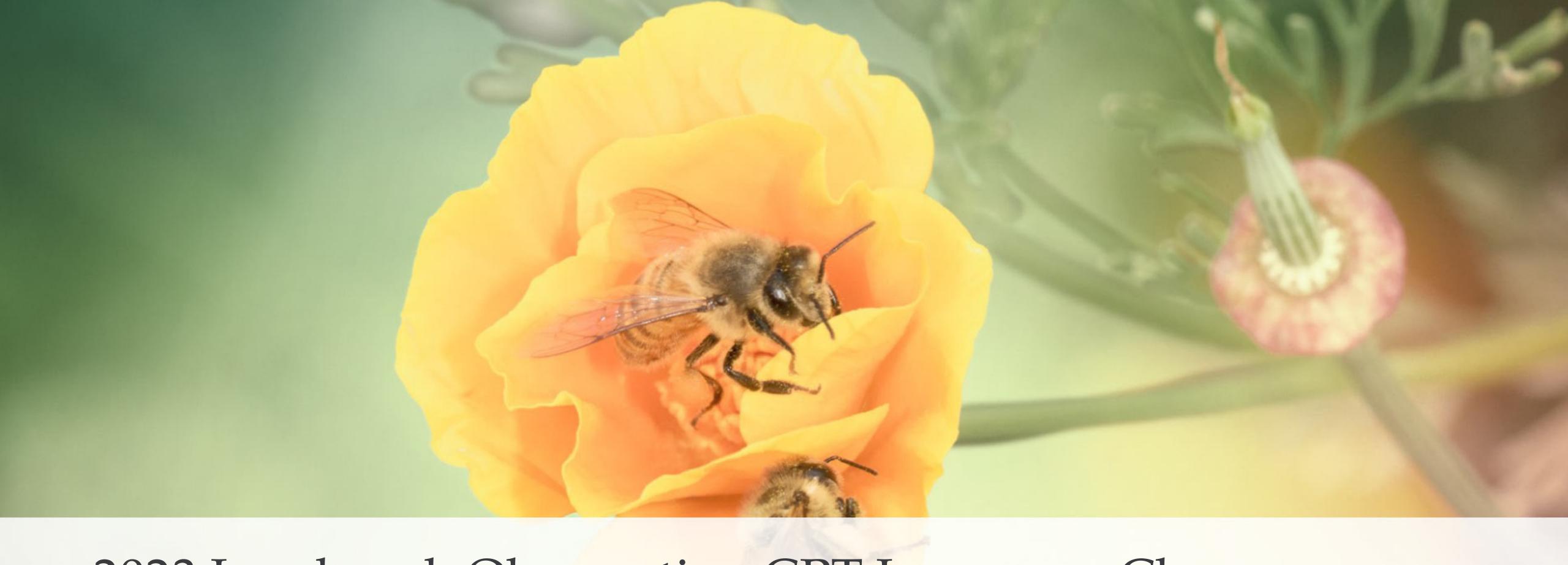


Obs 2022 vs 2023 Code Structure

Observation 2022	Observation 2023
99218	99221
99219	99222
99220	99223
99217	99238/99239
99234 - 99236	99234 - 99236

2023 CPT Coding Scenarios Observation Services

Obs Complexity of Care	Care All on the Same Day	Care Covers Two Calendar Days
Low	99234	99221 + 99238/99239
Moderate	99235	99222 + 99238/99239
High	99236	99223 + 99238/99329



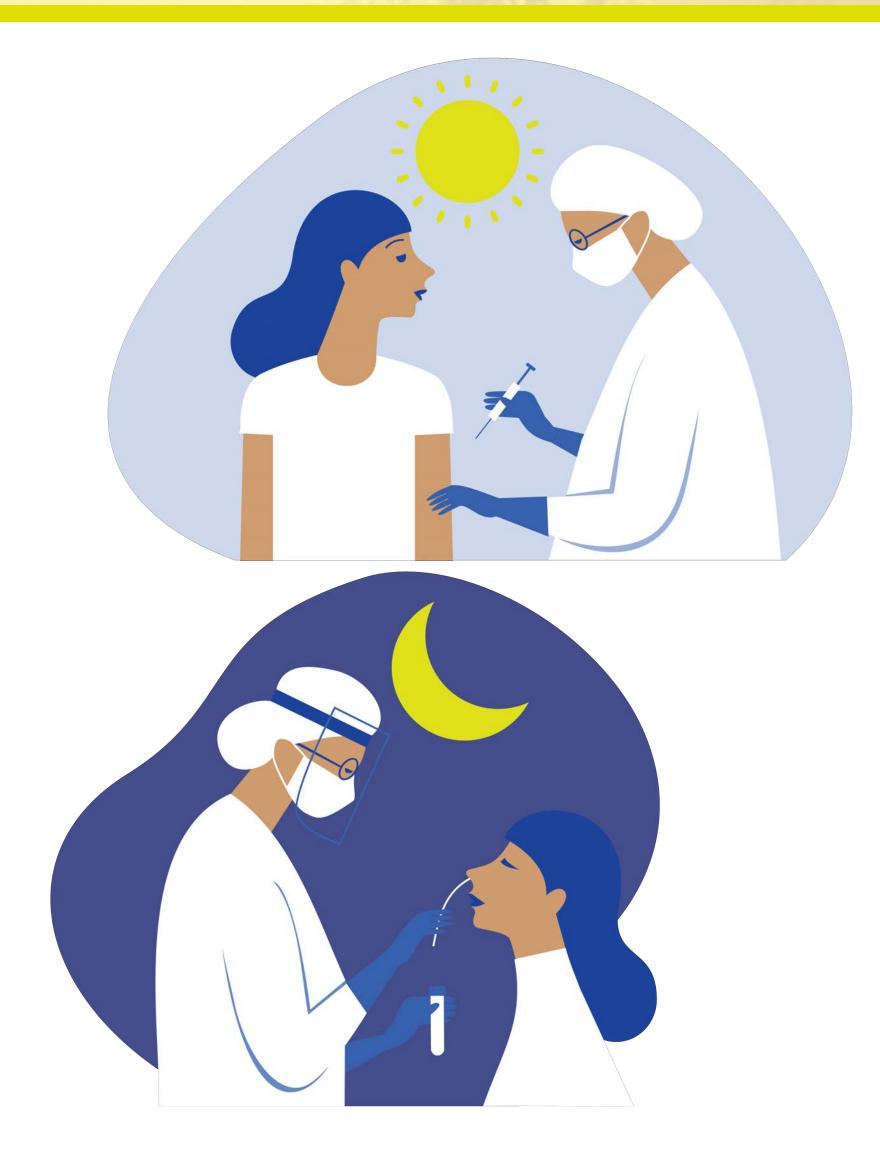
2023 Landmark Observation CPT Language Changes

2023 CPT: Obs Requires Two Patient Encounters

"Codes 99234, 99235, 99236 require two or more encounters on the same date of which one of these encounters is an initial admission encounter and another encounter being a discharge encounter."

"For a patient admitted and discharged at the same encounter (i.e., one encounter), see 99221, 99222, 99223."

"Do not report 99238, 99239 in conjunction with 99221, 99222, 99223 for admission and discharge services performed on the same date."



2022 CPT Long Standing Bundling Language

"When "observation status" is initiated in the course of an encounter in another site of service (e.g., hospital emergency department, office, nursing facility) all evaluation and management services provided by the supervising physician are considered part of the initial observation care when performed on the same date. The observation care level of service should include the services related to initiating observation status."

2022 CPT Professional Edition page 22

Advocacy From Multiple Sources



Financial Viability of Emergency Department Observation Unit Billing Models

Christopher W. Baugh MD, MBA X. Pawan Suri MD, Christopher G. Caspers MD, Michael A. Granovsky MD, CPC, CEDC, Keith Neal MBA, MHL, CHFP, Michael A. Ross MD

First published: 16 May 2018 | https://doi.org/10.1111/acem.13452 | Citations: 1

Monte Carlo simulation to demonstrate financial non viability of the single provider/service billing model.

"Current Procedural Terminology policies predate modern observation care and prohibit professional billing for emergency services and observation services on the same date of service by physicians from the same specialty and same group."

2023 CPT Extremely Significant Change

"When the patient is admitted to the hospital as an inpatient or to observation status in the course of an encounter in another site of service (e.g., hospital emergency department, office, nursing facility), the services in the initial site may be separately reported."

"Modifier 25 may be added to the other evaluation and management service to indicate a significant, separately identifiable service was performed on the same date."

2023 CPT E/M Guidelines July Release



CMS 2023 Specific Changes Don't Always Follow CPT



CMS: ED and Obs Bundling Continues!

"We proposed that the practitioner would select a code that reflects all of the practitioner's services provided during the date of the service, as provided in the Medicare Claims Processing Manual, IOM 100-04, Chapter 12, 30.6.9.B."



2023 CMS Physician Proposed Rule page 307/2066

"When a patient is admitted to outpatient observation or as a hospital inpatient via another site of service (such as, hospital ED, office setting, nursing facility), all services provided by the practitioner in conjunction with that admission are considered part of the initial hospital inpatient or observation care when performed on the same date as the admission"

2023 CMS Physician Final Rule page 595/3304

CMS "8 to 24 Hour Rule"

Obs Stay < 8 Hours

"The "8 to 24 hour rule" was designed to avoid unintended incentives to keep a patient in the hospital past midnight during a stay lasting less than 24 hours. If a patient receives less than 8 hours of hospital inpatient or observation services, only the initial inpatient or observation care (described by CPT codes 99221, 99222, 99223)."

Obs Stay 8-24 Hours Same Date

"If a beneficiary receives hospital inpatient or observation services for a minimum of 8 hours but less than 24 hours, the practitioner would bill CPT codes 99234, 99235, or 99236, as appropriate."

CMS "8 to 24 Hour Rule"

Obs. Stay > 24 Hours

"If a beneficiary is admitted for hospital inpatient or observation care and is then discharged after more than 24 hours, we propose that the practitioner would bill an initial hospital or observation care code (CPT codes 99221 - 99223) for the date of admission, and a hospital discharge day management service (CPT code 99238 or 99239) on the date of discharge."

2023 CMS Physician Final Rule page 581/3304

Obs. Stay that Crosses Midnight

"When a patient is admitted to inpatient initial hospital care and then discharged on a different calendar date, the physician shall report an Initial Hospital Care from CPT code range 99221 -99223 and a Hospital Discharge Day Management service, CPT code 99238 or 99239."

2023 CMS Physician Final Rule page 581/3304

CMS 8 to 24 Hour Rule Text Content

CMS 8 to 24 Hour Rule for Obs/Inpatient

Number of Hours	Codes Reported	Code Definition
< 8 hours	99221-99223	Initial Inpatient/Obs Care
8-24 hours	99234-99236	Admission and Discharge Same date
> 24 hours	99221-99223 Day 1 99238-99239 Discharge Day	Initial Inpatient/Obs Care Inpatient/Obs Discharge

CMS 2023 Final Rule 8 to 24 Hour Rule Tabular Summary

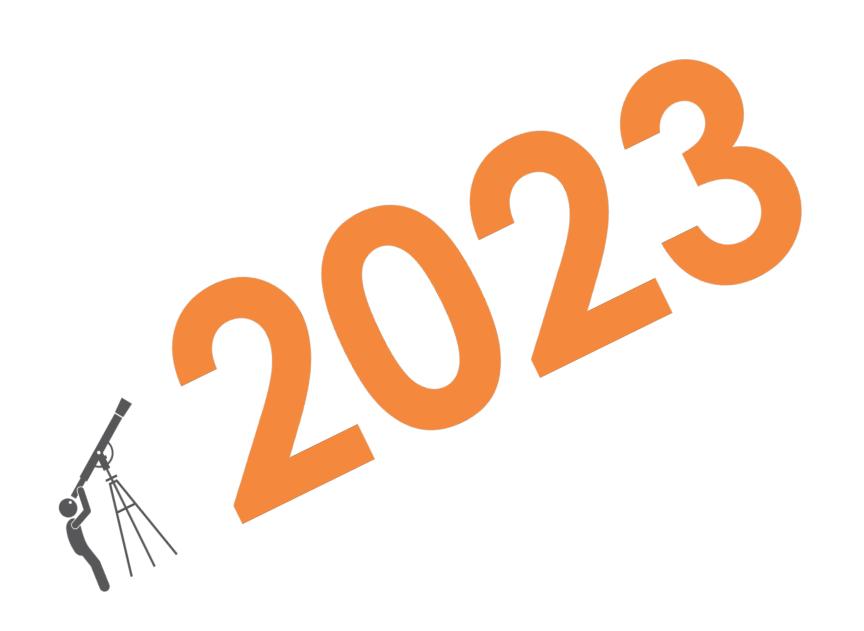
TABLE 22: Summary of Final Policy for the "8 to 24-Hour" Rule

Hospital Length of Stay	Discharged On	Code(s) to Bill
< 8 hours	Same calendar date as admission or start	Initial hospital services only*
	of observation	99221-99223
8 or more hours	Same calendar date as admission or start	Same-day admission/discharge*
	of observation	99234-99236
< 8 hours	Different calendar date than admission or	Initial hospital services only*
	start of observation	99221-99223
8 or more hours	Different calendar date than admission or	Initial hospital services* + 99221-99223
	start of observation	discharge day management 99238/39
*Plus prolonged inpatient/observation services, if applicable (See Appendix)		

^{*}Plus prolonged inpatient/observation services, if applicable.

2023 A Huge Year for Coding and Reimbursement

- 2023 updated ED RVUs
- Conversion Factor issues continue into the future
- APP shared services
- Important 2023 CPT Changes
 - 2023 Documentation Guidelines
 - Observation



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CPT Published Time Requirements for Observation

Same Day Obs

Same Day CPT Code	Time
99234	45 minutes
99235	70 minutes
99236	85 minutes

Subsequent Day Obs

Subsequent Day CPT Code	Time
99231	25 minutes
99232	35 minutes
99233	50 minutes

Initial Day Obs

Initial Day CPT Code	Time
99221	40 minutes
99222	55 minutes
99223	75 minutes

Discharge Day Obs

Discharge Day CPT Code	Time
99238	Obs DC ≤ 30 minutes
99239	Obs DC > 30 minutes

The 2022 Observation Prolonged Service Codes Deleted

- 99356 Prolonged service in the inpatient or observation setting, requiring unit/floor time beyond the usual service; first hour (list separately in addition to code fore principal observation service)
- 99357 each additional 30 minutes

Prolonged Service With Direct Patient Contact (Except with Office or Other Outpatient Services)

- ► (99354, 99355 have been deleted. For prolonged evaluation and management services on the date of an outpatient service, home or residence service, or cognitive assessment and care plan, use 99417) ◀
- ► (99356, 99357 have been deleted. For prolonged evaluation and management services on the date of an inpatient or observation or nursing facility service, use 993X0) ◀
- But Wait!

Prolonged Service With or Without Direct Patient Contact on the Date of E/M Service

Code 993X0 is used to report prolonged total time (both with and without direct patient contact) provided by the physician on the date on the date of a service (99223, 99233, 99236). Prolonged total time is time that is 15 minutes beyond the time required to report the highest-level primary service. Use 993X0 only when using time alone for the basis of code selection.

#★+●993X0 Prolonged inpatient or observation evaluation and management service(s) time with or without direct patient contact beyond the required time of the primary service when the primary service level has been selected using total time, each 15 minutes of total time (List separately in addition to the code of the inpatient and observation Evaluation and Management service)

▶ (Use 993X0 in conjunction with 99223, 99233, 99236, 99255, 99306, 99310) ◄

GXXX1-GXXXX3 HCPCS prolonged service codes?

CPT Code 99418 NOT accepted by CMS

#★**+**● 99418

Prolonged inpatient or observation evaluation and management service(s) time with or without direct patient contact beyond the required time of the primary service when the primary service level has been selected using total time, each 15 minutes of total time (List separately in addition to the code of the inpatient and observation **Evaluation and Management** service)

- CPT Changes: An Insider's View 2023
- ►(Use 99418 in conjunction with 99223, 99233, 99236, 99255, 99306, 99310)◀
- ►(Do not report 99418 on the same date of service as 90833, 90836, 90838, 99358, 99359)◀
- ►(Do not report 99418 for any time unit less than 15 minutes) ◀

Not reportable to CMS but valued by CMS 2023 Addendum B 99418 WRVUs 0.81 TRVUs 1.16

CMS instead created code G0316 that describes prolonged inpatient or observation services, to be reported as an add on to CPT codes 99223, 99233, and 99236

CMS PFS Final Rule page 599 -600

"We did not propose to adopt CPT code 99418, as we believed that the billing instructions for CPT code 99418 would lead to administrative complexity, potentially duplicative payments, and limit our ability to determine how much time was spent with the patient using claims data; these reasons are discussed in further detail below. We instead proposed to create a single G-code that describes prolonged inpatient or observation services, and that could be reported in conjunction with CPT codes 99223, 99233, and 99236. This G-code would be G0316 (referred to in the proposed rule as GXXX1):

G0316 Prolonged hospital inpatient or observation care evaluation and management service(s) beyond the total time for the primary service (when the primary service has been selected using time on the date of the primary service); each additional 15 minutes by the physician or qualified healthcare professional, with or without direct patient contact (list separately in addition to CPT codes 99223, 99233, and 99236 for hospital inpatient or observation care evaluation and management services). (Do not report G0316 on the same date of service as other prolonged services for evaluation and management 99358, 99359, 99415, 99416, 99418). (Do not report G0316 for any time unit less than 15 minutes). " Non-Facility Facility Mail. Total

Practice

Facility

G0316 A Prolong inpt eval add15 m <mark>0.61</mark> 0.29 <mark>0.25</mark> <mark>0.04</mark> 0.94 <mark>0.90</mark> ZZZ

Issue is the Prolonged Time Thresholds

We proposed to use G0316 instead of CPT code 99418 because we disagreed with the CPT instructions regarding the point in time at which the prolonged code should apply. According to the 2023 CPT Codebook, CPT code 99418 which represents a 15-minute interval, would apply to: CPT code 99223 when a practitioner reaches 90 minutes; CPT code 99233 when 65 minutes is reached; and CPT code 99236 when 100 minutes is reached. Each of these times represents only 15 minutes more than the codes' descriptor times. We disagreed with this instruction, and we believed that a prolonged code should only be applicable after the total time for the primary service is exceeded (the total time used or assumed in valuation of the primary service, plus the full 15-minutes described by the prolonged code). Issue is the prolonged time thresholds

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