



## August 2011 Edition

Due to vacation schedules, *Chargemaster Corner* was not published for the month of July. But we are back on track, ready to discuss the current chargemaster-related issues as well as reimbursement questions and problems encountered by clients.

*Chargemaster Corner* editorial staff would also like to extend a warm welcome to our new subscribers. Minnesota Hospital Association and OptumInsight recently hosted three days of seminars entitled *Chargemaster 101, Advanced Chargemaster Strategies, Medicare 101* as well as *Using CERT, ZPIC, RAC, PEPPER and MIC Audits To a Facility's Advantage*. Attendees are eligible to receive this monthly newsletter. Additionally, a warm welcome is extended to those folks e-mailing requests to be added to the distribution list. Thank you for everyone's continued interest and kind words expressed on the timely subject matter discussed in the monthly news articles.

### New MUE's Effective July 1, 2011

With implementation of CMS's 3<sup>rd</sup> quarter MUE file, several clinical departments were definitely impacted. Laboratory procedures, pharmacy as well as surgical procedures now generate an MUE error if reported in greater quantities than those allowed or displayed.

Previous to July 1, 2011, MUEs simply did not exist for the following surgical CPT codes, implying that greater than 1 or 2 units were acceptable. We now see the following MUEs:

HCPCS/CPT Code	Short Descriptor	July's MUE's	April's MUE's
0228T	Njx tfrml eprl w/us cer/thor	2	---
0234T	Trluml perip athrc renal art	2	---
0260T	Hypthrm bdy neonate 28d/<	2	---
0261T	Hypthrm head neonate 28d/<	1	---
37220	Iliac revasc	1	---
37221	Iliac revasc w/stent	1	---
37222	Iliac revasc add-on	2	---
37223	Iliac revasc w/stent add-on	2	---
37224	Fem/popl revas w/tla	1	---
37225	Fem/popl revas w/ather	1	---
37226	Fem/popl revasc w/stent	1	---
37227	Fem/popl revasc stnt & ather	1	---
37228	Tib/per revasc w/tla	1	---
37229	Tib/per revasc w/ather	1	---
37230	Tib/per revasc w/stent	1	---
37231	Tib/per revasc stent & ather	1	---
37232	Tib/per revasc add-on	2	---
37233	Tibper revasc w/ather add-on	2	---
37234	Revasc opn/prq tib/pero stent	2	---
37235	Tib/per revasc stnt & ather	2	---

A few pharmaceutical products were also noted to be impacted by the MUE updates, effective July 1, 2011:

HCPCS/CPT Code	Short Description	July's MUEs	April's MUE
Q2035	Afluria vacc, 3 yrs & >, im	1	
Q2036	Flulaval vacc, 3 yrs & >, im	1	
Q2037	Fluvirin vacc, 3 yrs & >, im	1	
Q2038	Fluzone vacc, 3 yrs & >, im	1	
Q2039	NOS flu vacc, 3 yrs & >, im	1	

"The above pharmacy vaccine product MUEs are not anticipated to generate any real billing problems," states Glenda Schuler, RHIT, CPC, CPC-H, Senior Chargemaster Consultant. "Most vaccinations are given as a single administration and the above flu vaccine products are no exception. These MUEs are thought to be aligned with standard medical practices."

Laboratory procedures impacted by the MUE updates include the following:

HCPCS/CPT Code	Short Description	July's MUEs	April's MUE
87502	Influenza dna amp probe	1	--
87906	Genotype dna hiv reverse t	2	--
88120	Cyp urne 3-5 probes ea spec	2	--
88121	Cyp urine 3-5 probes cmptr	2	--
88177	Cyp fna eval ea addl	2	--
G0432	EIA HIV-1/HIV-2 screen	1	--
G0433	ELISA HIV-1/HIV-2 screen	1	--
G0435	Oral HIV-1/HIV-2 screen	1	--

"Facilities may have reported 3 or even perhaps 5 or 10 units of service for each of the above laboratory procedures during the last quarter. With the limitations imposed by these new MUEs, facilities may now experience edits never before encountered", Glenda comments.

Two definite MUE changes may have an impact on a facilities ability to bill for the following procedures:

HCPCS/CPT Code	Short Description	July's MUEs	April's MUE
64455	N block inj plantar digit	1	2
85597	Phospholipid pltt neutraliz	1	2

CPT 64455 may certainly be performed bilaterally. The physician injects a local anesthetic agent and/or steroid into a plantar common digital nerve from the dorsal direction. This procedure is often performed to treat Morton's neuroma, a frequently occurring injury of the forefoot that affects the third web space of the toes. Since Morton's

neuroma most frequently develops between the third and fourth toes, usually in response to irritation, trauma or excessive pressure, both feet can be affected. The MUE indicates a unit of "1" is reportable. Certainly if performed bilaterally, the facility would report CPT 64455-50 with a unit of one. Essentially, if the nerve block was performed on the right or left foot, or bilaterally, the facility would report a unit of 1, meeting the MUE unit limitation. Laboratory procedure, CPT 85597, must now reported with a unit of 1 to meet the MUE reporting requirement.

For a current list of CPT and HCPCS codes effective July 1, 2011, the following website contains each reportable MUE: [https://www.cms.gov/NationalCorrectCodInitEd/08\\_MUE.asp#TopOfPage](https://www.cms.gov/NationalCorrectCodInitEd/08_MUE.asp#TopOfPage)

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### Flu Season Is Right Around The Corner

Medicare published Transmittal 2253, July 8, 2011 (Effective August 8, 2011) provides the Center for Medicare and Medicaid Services' (CMS) current language regarding the timing of seasonal influenza vaccine administration.

Updating the Medicare Claims Processing Manual (100-04), Section 10.1.2, the new guideline states, "Medicare does not require for coverage purposes that a doctor of medicine or osteopathy order the vaccine. Therefore, the beneficiary may receive the vaccine upon request without a physician's order and without physician supervision. Since there is no yearly limit, contractors determine whether such services are reasonable and allow payment if appropriate."

See Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 50.4.4.2 for additional coverage requirements for influenza virus vaccine.

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### Explode Panels Remain a Viable Chargemaster Option

Hospitals can utilize a variety of charge capture processes to generate charges for procedures performed: 1) Charges selected via order entry, 2) charge generated when the order is received, 3) the completion of charge tickets, or 4) the charge generated when documentation completed (electronic health record) are the most common charge capture methods. Many clinical departments review a monthly summarization of all charges generated to validate all procedures were captured. In fact, some departments prefer to perform a charge reconciliation process on a "daily" basis, confirming that appropriate charges were generated and quickly correcting any erroneous charge entries.

A common practice among many hospitals is the use of charge explode panels. A charge explosion refers to a series or bundles of codes that can be generated through a single line item charge. Rather than entering all of the individual

codes, department staff can report a single charge code which then "explodes" into the list of codes. This helps guarantee the department captures all separately reportable procedures, services and supplies. The use of explode charge routines can present some unique compliance situations, however.

We know there are invasive surgical procedures often performed within radiology. These include biopsy, aspiration and excisional procedures commonly utilizing radiological guidance, e.g. MRI, CT, fluoroscopy or ultrasound. A recent review of a facility's chargemaster along with the corresponding revenue and usage data identified the following scenarios:

CT S&I Procedures Reported	589
Surgical Procedures Reported	510
Potential missed Surgical Procedure Charges	79
Ultrasound S&I Procedures Reported	704
Surgical Procedures Reported	693
Potential missed Surgical Procedure Charges	11

HIM coders assign the surgical CPT code for most facilities, but the charge remains the responsibility of the clinical department performing the procedure. Missed procedure charges equate to lost gross revenue opportunities.

Laboratory is one clinical department very familiar with the charge explodes/panel concept. Whether these charge routines reside within the laboratory systems or in the facility's chargemaster options, laboratory panels can consist of a minimum of 2 procedures up to 15 or more. Ensuring each and every CPT code is correctly reported with the accurate number of units is often accomplished with a charge explodes.

Supplies can be another area where explode charge routines are utilized. For example, a specific type of surgery may require a standardized set of supplies. Rather than entering all these supplies, one code may be selected which then explodes into the list of supply codes used for that surgery. "The facility should be very careful when utilizing explode charge lines for supplies," warns Joe Martinez, CPC, Senior Healthcare Consultant. "On occasion a physician's preference may change or additional supplies are utilized during a surgical procedure. Charges for supplies "always" used would fail to reflect charges when different or extra supplies are required. Staff must be confident that charges for supplies and implants are actually used during the procedure and documentation would support these supply charges."

When assigning HCPCS "C" codes, Medicare has also reminded facilities to inventory charge lines for kits, trays, or packs which may contain multiple supply items eligible

for reporting with “C” codes. Medicare states: **Kits** - Manufacturers frequently package a number of individual items used in a particular procedure in a kit. Generally, to avoid complicating the category list unnecessarily and to avoid the possibility of double coding, CMS has not established codes for such kits. However, hospitals are free to purchase and use such kits. If the kits contain individual items that separately qualify for transitional pass-through payments, these items may be separately billed using applicable codes. Multiple units - Hospitals must bill for multiple units of items that qualify for transitional pass-through payments when such items are used with a single procedure by entering the number of units used on the bill.

**Reference:** Claims Processing Manual, Chapter 4, Section 60.4. “Reporting individual HCPCS “C” codes for these kits may easily be accomplished using explode charge lines. For example, if a Central Line Kit contains both a central line (C1751) catheter and an introducer sheath (C1894), two separate charges for this kit should be reported, one for each C1751 and C1894. An easy way to do this is by an explode charge line,” continues Joe.

Explode panels can definitely offer a simpler way to capture a department’s charges. Penny Allison, RN, BSN, Consulting Director reminds facilities that “Simpler isn’t always better. If attention is not devoted to these explode panels, they can virtually explode a hospital’s compliant billing process. As CPT code descriptors change and/or new codes are added, they can definitely have a direct impact on the facility’s chargemaster and explode panels built. One good example occurred this year when combined CPT codes were introduced for CT procedures.” Penny continues, “CT abdomen and pelvis procedures are performed rather routinely. The facility may have had a single charge line that exploded into the two separate CPT codes. Coding changes for CY2011 introduced a single CPT code reportable for both abdomen and pelvis CT procedures. Without the inactivation of the explode panel, the department may have continued reporting individual procedures when a single comprehensive CPT code existed and reportable as of January 1, 2011.” As a final thought, Joe recommends facilities review the explode panels on a yearly basis, or as often as a clinical department’s chargemaster is updated. “Incorporating the explode panels into the chargemaster review will ensure that as CPT descriptors change, the explode panels remain appropriate for services performed and billed.”

### Who Should Assign HCPCS “C” Codes?

When reviewing chargemasters, OptumInsight’s consultants have been finding charge lines missing “C” codes for medical devices, supplies and implants. While some hospitals have relatively low Medicare utilization, other facilities note that over 65% of the outpatient business is dedicated to Medicare beneficiaries. John Arno, RT, (R),

ARRT, CPC-A, MPA shares “Supply charge lines found in general Medical/Surgical as well as Surgical/ Operating Room chargemasters are often missing HCPCS “C” codes. Purchasing agents or Material Management staff have expert knowledge for specific vendors and inventory control, but cannot provide specific HCPCS codes and revenue codes based on CMS’ reporting guidelines. How the surgical supply is used, if implanted or not implanted, and additional explanations on specific surgical procedures utilizing the supply item will help provide needed information to maintain the chargemaster.” When staff continues to experience difficulty in determining the appropriate “C” code, Medicare provides the following advise: Medicare has stated that while they expect hospitals, with the assistance of manufacturers, to be able to make the vast majority of coding decisions appropriately on the basis of information in this and subsequent instructions, a few problematic cases may nonetheless emerge. To help address such cases, CMS will provide information on whether a particular device may be billed for transitional pass-through payments and/or which category would be applicable. CMS does not expect that such information will be needed except in a very few ambiguous cases. In general, for CMS to make such a judgment they will need information that is readily available only from the manufacturer. In some instances, consideration of such questions may reveal the need for an application from a manufacturer for a new category. Accordingly, a hospital wishing to secure such clarification is encouraged to first work with and through the manufacturer, rather than contacting CMS directly.

**Reference:** Transmittal A-01-41, March 22, 2001

John continues, “One recent experience was shared by a facility that did just that. The vendor’s representative was asked directly what HCPCS “C” code their company recommended for this specific supply item. With a dazed look in his eyes and a questionable expression replied, “What code are you talking about?” The CMS OPSS payment system has been in effect since CY2000 and since CMS issued the above transmittal. Guess it’s time to re-educate our vendors.”

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We hope you enjoy receiving the *Chargemaster Corner* from OptumInsight. Each month OptumInsight will circulate this newsletter via e-mail to those interested parties who have provided contact information either via e-mail request or who have completed an informational form when attending a number of educational seminars conducted nationwide. Please share this e-mail with your co-workers and encourage them to contact OptumInsight via [Chargemaster.corner@gmail.com](mailto:Chargemaster.corner@gmail.com). Contact information will not be shared with any other organization and used *only* for means of distributing this monthly newsletter. For direct contact concerning receipt of this newsletter, please e-mail your comments to the above noted e-mail address. Thank

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