The Essential Guide to Coding in Otolaryngology

Coding, Billing, and Practice Management

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Contents

Introduction

The goal of this book is to provide a readable, yet searchable coding text. Unlike most coding books, which are often reference texts and written entirely by coding professionals, the ultimate goal was to create an otolaryngology coding book geared for physicians with significant physician input in the content. To make this project possible, the authors are a combination of leaders in otolaryngology, physicians with an interest in coding, and leading coding and practice management professionals in otolaryngology.

This book will appeal to all practicing otolaryngologists, residents, fellows, physician extenders, and coding professionals. It is basic enough for a resident to read and learn, yet detailed enough to appeal to the most advanced practitioner and coder and use as a reference text. The goal is not to be the exhaustive reference source, but to be a guide to use to assist in correct coding initiatives. The reader should use this in addition to standard American Medical Association (AMA) coding sources that are the gold standard. Although every effort has been made to be as accurate as possible, many of the clinical coding chapters are written by practicing physicians without formal coding education. When in doubt, consult your coding professional, the American Academy of Otolaryngology-Head and Neck Surgery, or the AMA.

This book is designed in 3 sections. The first provides a framework to coding and is designed to be read as a text. It includes chapters written by practice management and coding experts in the field and covers the fundamentals of coding, including billing strategies, dealing with appealing denials, *International Classification of Diseases, Tenth Revision, Clinical Modification* (ICD-10-CM), and the use of modifiers. The next 2 sections are divided by subspecialty focus area and type of service, office vs surgery. Although this causes some overlap, it allows one to either read an entire chapter on an area of interest or use this as a reference. The authors of these chapters are practicing providers, thus incorporating real-life experiences in these 2 sections. Pertinent references and resources are included in the text for the reader; however, it is important to note that some references may require login to the American Academy of Otolaryngology-Head and Neck to access the reference.

The ideal of incorporating different authors does limit standardization of this text; however, we feel strongly that this allows the text to have a true subspecialty focus and incorporate the ideas of multiple experts in the field. We have also included *International Classification of Diseases, Ninth Revision, Clinical Modification* (ICD-9-CM) codes in addition to ICD-10-CM codes. During production, ICD-9-CM was still in use, and it is our belief that for this edition leaving ICD-9-CM in place along with ICD-10-CM will provide a smoother transition to our physicians and health care providers.

Preface

Physicians spend years training for their careers in medicine through medical school, residency, and fellowship; however, little formal training has traditionally been provided in coding, business, and practice management for physicians during this path. These topics are critical for financial success in practice. This leads to common, often preventable errors and inefficiencies. The potential negative impact of improper coding is huge, including underpayment, overpayment, noncompliance with government guidelines, audits, and financial and sometimes even criminal penalties. There is also a paucity of available quality resources out there geared toward practicing physicians.

As a result, all of the editors have spent significant time independently and often together, educating peers, residents, fellows, and other coding professionals. This book is a compilation of our ideas, teaching, and teamwork to provide a text that is specifically geared to practicing otolaryngologists but in depth enough for coding professionals to find useful. Enlisting the help of some of not only the most recognizable names in otolaryngology and otolaryngology coding and practice management, but also physicians with a genuine interest in coding made this book a reality. We feel confident you will find this book useful in your practice endeavors now and in the future.

Acknowledgments

We would like to acknowledge all of the outstanding contributors to this book who took time out of their busy clinical and professional practices to make this book a reality.

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I would like to dedicate this book to my mentors in medicine, health care and life: Dr. Marvin Fried, Dr. Vijay Anand and my parents Dr. David and Barbara Brown. I would like to thank my partners, Drs. Belachew Tessema and Ben Wycherly, for their friendship, companionship, and support with this project. Finally, and most importantly, I would like to thank my family, Betsy, Ella, and Tessa who put up with me on a daily basis and make life more enjoyable.

—SB

This book is dedicated to my wife, Elsa, for her support and love in all of our moments together. I would also like to thank Vijay Anand and Mark Persky for their mentorship throughout my career. Finally, I would like to convey my sincere gratitude to the co-editors and authors of this book for their dedication, hard work, and expertise.

—AT

A special thanks to my wife Sheryl for her never-ending support throughout my entire professional career and without whom I could not have been successful.

—MS

Dedicated to the memory of my mentor in consulting, Debra Dorf, who introduced me to the world of coding and taught me that accurate coding is not only ethical but helps both the physician and patient. Thank you to my colleagues at KarenZupko & Associates, Inc. for the excellent chapters. Sincerest appreciation to my co-authors for their patience with me and the invaluable professional dialogue we had while reviewing chapters. Finally, my heartfelt gratitude to Arthur for his endless support and love throughout this book process and always.

—KP

SECTION I

Basics of Coding and Billing

CHAPTER 1

Essentials of Coding

Natalie Loops

There are few complex entities in the world that can be summed up in 5 digits. Medical coding does this with a *Current Procedural Terminology* (CPT®) code. Would 99205, in any other system, be able to tell you as much as it does in CPT? Creating a system that strives to describe a complex procedure or diagnosis with just a few digits is a very enterprising task. Not surprisingly, the coding process has been an evolution leading to reams of information, multiple exceptions, and revisions. The information presented in this book has been curated to present you with just the essentials, making otolaryngology coding simple and straightforward.

Starting with the basics, the three main sets of codes used are the *International Classification of Diseases, Ninth Revision, Clinical Modification* (ICD-9-CM) as well as *International Classification of Diseases, Tenth Revision, Clinical Modification* (ICD-10-CM), which is published by the World Health Organization (WHO); the *Current Procedural Terminology (CPT) Manual*, which is published by the American Medical Association (AMA); and the Healthcare Common Procedure Coding System, Level II (HCPCS Level II), which is released by the Centers for Medicare and Medicaid (CMS). These code sets come out with updates annually. Make sure you have the most recent versions of these texts. The new books are not just sales gimmicks. There are actual changes made to these codes, which are very important and affect the coding and reimbursement process. Practitioners are required to follow the AMA's CPT coding guidelines. However, payers such as Medicare may have their own payment or reimbursement rules. It is important not to confuse the two—coding versus reimbursement.

If you are here reading this text it is evident that you think coding is important, but do you know the multitude of reasons why? Perhaps the most obvious reason is that correct coding can significantly increase the amount you are reimbursed for your efforts. As if that is not motivating enough, correct medical coding also decreases your practice's risk for an audit and thus minimizes the chance you will experience a payment take-back. Having a thorough knowledge of coding, billing, and practice management will also allow you to lead an efficient and high-functioning practice.

In 2002 the Improper Payments Information Act was signed into law. The act requires federal agencies to review programs they administer, estimate improper payments, and improve the steps they have been taking to bring back to the government the money that was given erroneously. The report for 2013 estimates that $9.5 billion of improper payments were allocated due to no documentation, insufficient documentation, medical necessity, incorrect coding, or "other".[1] This report and the subsequent call to action has led to some very aggressive Recovery Audit Contractors (RAC). A RAC is an entity hired by the Centers for Medicare and Medicaid Services (CMS) to recoup as much as possible of the $9.5 billion. The RAC is paid a percentage of the amount of money regained, which is extremely motivating for the RAC. According to CMS, "In Fiscal Year (FY) 2013, Recovery Auditors collectively identified and corrected 1,532,249 claims for improper payments,

which resulted in $3.75 billion in improper payments being corrected."[2] So if the prospect of receiving accurate payment is not incentive enough to learn to code correctly, perhaps keeping the RAC out of your practice is.

Still not convinced that coding is imperative? Here is another reason it should be done correctly; it helps others. Medical codes assist public health officials in tracking diseases and procedures to plan for resource allocation in the future. The codes provided are used by a multitude of others who are working to make health care run more smoothly. For example, the WHO did not just publish the ICD-9-CM codes and say, "that's it, we're done." The WHO regularly tracks this epidemiological data and uses it to focus new research on the progress of diseases in order to better understand and treat them, while also teaching others to prevent future illness. Coding trends are also utilized to negotiate funds for public education on topics that range from hand washing to tobacco use. Last, medical management uses trends in these data to make sure you have the right supplies when you need them. In summation, correct coding helps you be reimbursed to the fullest extent without concerns of an audit or a take-back of funds, it aids research and assists epidemiologists, and it provides trend data to administrators providing for the allocation of future funds and supplies.

Right now you are thinking, "Wow medical coding is important"! So, who is the best person to code? Typically the provider does the coding himself or herself or a medical coder provides this service based on the documentation. If a medical coder is the chosen route, it is important that the provider be involved in the correct reporting of services since his or her name will be on each claim that is submitted. Coding is a complex subject and the provider should want to make sure that the coding reflects the documentation, is in accordance with the most recent changes, and correctly reflects the work performed. Therefore, if the coding is delegated from the provider to the coder, it is crucial to be sure the coder is capable, accurate, properly educated, comfortable enough to query the provider when there are questions, and up to date on all the changes continually released. Ideally the coder should be certified, though there are many very capable and knowledgeable coders who are not. The coder should have access to tools that enhance coding accuracy, as well as ongoing education about current diagnosis and procedure code changes.

The two most recognized certifying bodies for medical coding are the AAPC (formerly American Academy of Professional Coders) and the American Health Information Management Association (AHIMA). Each of these organizations issues a variety of certificates acknowledging medical coding proficiency. The two that are the most common for physician-based settings are the Certified Professional Coder (CPC) certification from AAPC and the Certified Coding Specialist-Physician-Based (CCS-P) certification from AHIMA. Passing these respective board exams to receive these certifications requires demonstrative and detailed knowledge of CPT, ICD-9-cm/icd-10-cm, and HCPCS Level II coding systems.

If you are unsure of a coder's abilities, this can be discerned by asking him or her a few questions. A certified coder should have a robust working knowledge of important topics such as those of Medicare's global surgical periods. In case you are unfamiliar with this term, certain procedure codes have a postoperative global period that is also known as "postop global days." This means that the Medicare reimbursement for that CPT code includes all necessary services that are normally performed for that procedure after the surgery. A global period applies for all settings including the doctor's office and the hospital and ranges from zero for a procedure such as an endoscopy (eg, 31231) to 90 days for a surgery like a septoplasty (30520). Some services that are included in the global surgical package for a CPT code are the preop visit after the decision for surgery has been made, removal of sutures, and management of postoperative pain. Billing of any of these reasonable situations to the patient's payer when he or she is in a global period is considered unbundling. You will see the terms *global surgical package* and *global period* used throughout this book. Remember, this is a Medicare payment rule because the CPT definition of "typical follow up care" is vague and subjective. To find out what a procedure code's global period is, one can head to National Medicare Physician Fee Schedule Database on the CMS website.[3]

For most otolaryngologists, the vast majority of service codes selected are evaluation and management (E/M) CPT codes. Thus, it is imperative that these services are coded correctly. An important concept to understand is how to choose the appropriate coding level for the visit. In most cases, the complexity of the patient's situation and in turn the difficulty of the medical decision making is the decisive component determining the level of the office visit. CMS defines medical decision making as follows:

The complexity of establishing a diagnosis and/or selecting a management option, which is determined by considering the following factors:

- The number of possible diagnoses and/or the number of management options that must be considered
- The amount and/or complexity of medical records, diagnostic tests, and/or other information that must be obtained, reviewed, and analyzed
- The risk of significant complications, morbidity, and/or mortality as well as comorbidities associated with the patient's presenting problem(s), the diagnostic procedure(s), and/or the possible management options[4]

These factors are somewhat subjective, and many medical coders do not have a clinical background. Therefore, this is another reason the medical coder/provider relationship must have open lines of communication. In order to accurately code the service provided, the coder must feel comfortable querying the provider when the complexity of the patient's visit is unclear in the documentation.

The information contained in this book is based on the coding guidelines specified in the CPT, ICD-9-CM/ICD-10-CM, and HCPCS Level II coding books and from information released by these same sources. Occasionally payer rules are contrary to the CPT guidelines stated. In these situations, it is important to understand the payer's rules in order to receive accurate reimbursement, but deference should be made to the CPT rules.

Similar to the need for accuracy in medical diagnosis and treatment, accurate information is essential in the world of medical coding. If you are looking for further information, refer to the AMA's CPT Assistant as well as "CPT Changes: An Insider's View" publications, CMS' National Correct Coding Initiative (CCI) Policy Manual, and individual payer's websites. The CPT Assistant is a monthly publication released by the same organization that wrote the CPT book. Here they provide more detailed information than the format the printed book can allow. This makes the CPT Assistant a superb tool to reference when appealing denials. The CMS' National Correct Coding Initiative (CCI) Policy Manual is released quarterly, and its sole purpose is to provide accurate payments on Part B claims. Finally, when in doubt head to the payer's website. Payers such as Blue Cross and Blue Shield and CMS have an abundance of information on coding as well as the medical necessity they deem appropriate. These are all tools that our professional coder colleagues utilize on a regular basis, and communication with them is of the utmost importance to remain accurate and up to date.

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CHAPTER 2

Navigating the CPT® Book

Teri Romano

What is CPT?

Current Procedural Terminology (CPT®) is a comprehensive compilation of descriptive terms and identifying codes that are used to report services provided by physicians and other health care professionals. The intent of CPT codes is to provide a uniform, nationwide nomenclature that can be used to accurately describe medical, surgical, and diagnostic services.

First developed in 1966, CPT codes describe what a physician does during a patient encounter. In 2000, CPT codes were designated by the Department of Health and Human Services as the national coding standard, and as such, all financial and administrative health care transactions require the use of the CPT code set. The current version is *Current Procedural Terminology* (CPT) 2015, fourth edition.

Simply stated, CPT codes describe physician work and are the basis for reporting of services. Payment from governmental and private entities is calculated based on these nationally utilized codes. Otolaryngologists should understand how these codes are developed and used if their services are to be reported accurately.

The American Medical Association (AMA) owns and is responsible for maintaining the CPT codes and overseeing code development and revision. New, revised, and deleted CPT codes are officially introduced each year and become effective on January 1 of the upcoming year. The AMA publishes an annual CPT book (referred to as a *CPT Manual*) listing all CPT codes that are effective for that year including new, revised, and deleted codes. This publication is typically available in early fall of the prior year, giving users of the codes approximately 2 months to incorporate the use of any new codes that impact their specialty. The CPT code set is published as both electronic data files and a book. Physicians should purchase a current data file or book each year (the Professional Edition is recommended) to ensure the use of current and accurate CPT codes.

The CPT Development Process

The CPT code development is an ongoing process managed by the AMA. Over 80 medical societies, representing all specialties, have representatives on what is known as the *AMA CPT Advisory Committee* and provide input to code development. This committee evaluates proposed new codes as well as the revision of existing codes. A new CPT code may be proposed by a physician, a medical society, a medical device company, or anyone with an interest in the establishment of a new code. The CPT Advisory Committee (not just the relevant specialty groups) evaluates all new or revised codes and, if approved, these become part of the CPT code set.

The *CPT Manual*: Content and Format

Content

The *CPT Manual* includes the following main chapters:

- Introduction
- Illustrated Anatomical and Procedural Review
- Evaluation and Management (E/M) Services
- Anesthesia
- Surgery
- Radiology
- Pathology and Laboratory
- Medicine
- Category II codes
- Category III codes
- Appendices

Codes for otolaryngologists and their staff will primarily come from the E/M section (office and inpatient visits), the surgery section (eg, sinus, head, and neck surgery), as well as from the radiology (eg, in-office sinus computed tomography [CT]) and medicine sections (eg, audiology testing, allergy). However, codes used by otolaryngologists can come from any of the above sections. CPT codes are not specialty specific. Any specialty may use any CPT code if it accurately describes the work performed.

Code Format

There are three types of CPT codes: Category I, II, and III. A description of each type of CPT code is found in Table 2–1. Category I and III codes, those used most commonly by otolaryngologists, are defined below.

Category I CPT Codes

Category I CPT codes, the bulk of the CPT codes used, are identified with a 5-digit numerical code. A Category I code designates that a procedure is Food and Drug Administration (FDA) approved, consistent with current medical practice, and performed frequently by many physicians in the United States. Each Category I CPT code includes a brief description of the specific procedure or service. For example,

30100 Biopsy, intranasal

Many codes will have a base code and one or more indented codes that describe a related but different procedure. For example,

31254 Nasal/sinus endoscopy, surgical; with ethmoidectomy, partial (anterior)

31255 with ethmoidectomy, total (anterior and posterior)

In the above case, the root description is "nasal/sinus endoscopy, surgical." The semicolon indicates the end of the base or root description. The wording following the semicolon further describes the procedure. In the related codes (in this example 31255), everything after the semicolon is replaced by the descriptors of the second, related code. For example, the full procedure represented by code 31255, is read as follows:

31255 Nasal/sinus endoscopy, surgical; with ethmoidectomy, total (anterior and posterior)

Category III CPT Codes

Some new procedures or new technologies do not meet the description or intent of an existing Category I code. In this case, the AMA may decide to develop a Category III code. Category III codes, often referred to as "T" codes, are 4-digit codes followed by the letter T. The procedures and devices described by a Category III code may not yet be FDA approved, are not yet performed routinely across the country, or are not yet supported by the peer-reviewed, published data. Because most Category III codes are not assigned a fee by Medicare, payers determine whether to provide reimbursement for a Category III code. Practices should always obtain preauthorization prior to performing a procedure or placing a device that