

Socioeconomic tips of the month

Understanding local medical review policies

by the Division of Advocacy and Health Policy

In addition to understanding CPT and ICD-9-CM coding, surgeons and their staffs also should be aware of the regulatory variables that affect reimbursement. Most physicians are familiar with the Medicare correct coding initiative edits, which cause certain procedures to be incorporated, or bundled, into other procedures and a decrease in anticipated reimbursement.

Some other factors may affect acceptance of your Medicare claims as well. In some cases, the Centers for Medicare & Medicaid Services (CMS) issues a national coverage policy for a procedure. (To access the current Medicare national coverage policies for medical procedures and diagnostic tests, go to http://www.hcfa.gov/pubforms/06_cim/ci00.htm.) If there is no CMS policy, Medicare carriers may develop local medical review policies (LMRPs) to provide reporting standards for procedures. Both types of policies describe the circumstances for Medicare coverage for specific medical service procedures or devices.

A LMRP explains the clinical circumstances under which a service would be covered, correctly coded, and considered medically reasonable and necessary. The policy generally contains:

- A detailed description of the procedure.
- Diagnoses and a list of the ICD-9-CM codes that support the medical necessity for the procedure.
- Reasons why the carrier will consider the procedure a covered service.
- Coding guidelines.
- Documentation requirements.
- National statutes and guidance that could affect the carrier's coverage policies.
- Reasons for denial of a claim for the service.
- Sources of the information (medical literature, the advice of local medical societies and medi-

Around the corner

October

- 2003 ICD-9-CM code changes effective October 1. The 90-day implementation period during which Medicare will allow claims to be submitted with the 2002 and the 2003 ICD-9-CM code versions begins.
- Quarterly update to 2002 Medicare fee schedule effective October 1.
- Quarterly update to 2002 Correct Coding Edits effective October 1.
- ACS-sponsored basic coding workshop for surgeons on October 8, during the Clinical Congress in San Francisco, CA. To register for PG25, go to <http://www.facs.org/clincon2002/index.html>.
- Health Insurance Portability and Accountability Act (HIPAA) transaction compliance plans must be submitted to CMS electronically or postmarked by October 15, 2002. To access and download the form or to file electronically go to <http://www.cms.hhs.gov/hipaa/hipaa2/default.asp>.

cal consultants, and public comments) the carrier considered in developing the coverage determination.

- All effective and revision dates and the rationale for revising the policy.

All LMRPs may be viewed at <http://www.lmrp.net>. They are posted by carrier and can be downloaded as zip files.

Application of LMRPs

LMRPs only apply to claims that are submitted to the carrier issuing the policy. A LMRP may not conflict with a Medicare national coverage decision once that coverage decision is effective. How-

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ever, a contractor may develop a LMRP that supplements a national coverage decision.

Before policies are implemented, they are published in draft form for public comment and are presented to the Medicare Carrier Advisory Committees for their review. You may view draft LMRPs on your carrier Web site or at <http://www.draftlmp.net>.

Although LMRPs apply primarily to the Medicare program, some private payors have developed

and published LMRPs for their plans. You may want to contact all your local practice contracts to find out if they have medical review policies available for their providers.

Because local medical review policies contain procedures, the diagnoses for which a carrier believes the procedures are appropriate, and documentation requirements for the procedures, they represent a good teaching tool for surgeons and their staffs. □

The Candidate and Associate Society of the American College of Surgeons (CAS-ACS) invites all residents, residency program directors, and Associate Fellows to attend a symposium on professionalism and how it is taught in the medical environment during the Clinical Congress in San Francisco. The symposium will be held Sunday, October 6, 2002, from 2 to 5 pm.

The speakers will be Ajit K. Sachdeva, MD, FACS, FRCS, Director of the College's Division of Education, and Michael E. Whitcomb, MD, Senior Vice-President for Medical Education and Director, Division of Medical Education, Association of American Medical Colleges. Dr. Whitcomb is also Editor-in-Chief of *Academic Medicine*, the leading journal devoted to issues relevant to academic medicine. There will be an open-microphone discussion following their presentations.

For more information about this event or the CAS-ACS, contact Peg Haar at the ACS via email at phaar@facs.org or via telephone 312/202-5312.

CAS Symposium
Clinical Congress
2002

