

Socioeconomic tips

Coding for surgical residents and new surgeons in practice

by the Division of Advocacy and Health Policy

The American College of Surgeons recently released a complimentary compact disc (CD) coding “primer” entitled *CPT and ICD-9 Coding for Surgical Residents and New Surgeons in Practice* to residents of all specialties who are in at least PGY4. Residents have some familiarity with Current Procedural Terminology (CPT) codes because they must use CPT codes to keep track of their cases.* However, this use of CPT is quite different from how it is used to bill in the practice of surgery. The CD was written and reviewed by practicing Fellow volunteers, under the leadership of John Preskitt, MD, FACS, who understands how residents use the CPT coding system and the requirements of a busy surgical practice.

Because they have been using CPT, senior residents preparing to enter private or academic practice frequently underestimate what they need to learn about assigning codes to (and receiving payment for) the patient services they provide. In fact, proper procedure and diagnosis coding is critical not only for obtaining full and fair payment, but also for ensuring proper compliance with the law. Heavy financial penalties may be and have been levied on institutions and individuals who routinely violated some basic rules of coding and documentation.

“For those reasons,” Dr. Preskitt said, “it was important to get a CD out so that residents could read it on their own, when they had time. [Users] also have a ready reference document that they can consult when necessary. Furthermore, we included some other material released by the Centers for Medicare & Medicaid Services [CMS] and the College that we believe they will find valuable.”

The CD contains separate chapters about using CPT to report surgical cases and evaluation and management (E/M) services. The CD explains other

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Around the corner

December

- Changes in the Medicare participation status of physicians in 2006 are due to carriers on December 31. The update is scheduled to be -4.4 percent, but Congress may enact a different amount. Watch for news on the update. If you wish to continue with your participation status, you do not have to take any action. If you wish to become a nonparticipating physician, send a letter to that effect to all carriers with which you do business. If you wish to become a participating physician, fill out the form you received with your fee schedule for 2006 and send it to all carriers with which you do business. You may opt out of Medicare at any time.

- Economedix will hold a teleconference December 14 on Billing Compliance: Avoiding Fraud and Abuse. For more information and to register, go to <http://yourmedpractice.com/ACS>.

January

The following will be implemented January 1:

- The 2006 Medicare fee schedule
- The 2006 CPT codes
- The Medicare National Correct Coding Initiative (NCCI) version 12.0

topics, including the following:

- Diagnosis coding using the *International Classification of Diseases, Ninth Revision, Clinical Modification* (ICD-9-CM).

- For those who remain in an academic environment, an extensive guide to CMS' rules on what teaching physicians must do to receive Part B reimbursement.

- An overview of diagnosis-related groups (DRGs), which helps the surgeon see the importance of getting correct diagnosis codes into the hospital medical record so the hospital can report

them on its claim.

- The Medicare *New Physician's Guide*, released in September 2003 by CMS.

The material on ICD-9-CM makes the point that the diagnosis code(s) justify the medical necessity of the procedure(s). Because failure to supply the correct code could result in denial of reimbursement, the CD suggests that the surgeon either supply the ICD-9-CM code or get in the habit of dictating progress notes and operative notes using language from the ICD-9-CM. The CD also makes the point that the full ICD-9-CM code needs to be shown on the claim. The chapter contains the essential steps to selecting the correct code and contains many examples of actual general surgery coding, including problems to avoid. The material includes an explanation of the V codes for factors affecting health status and contact with health services, and E codes for causes of injury and poisoning.

According to the discussion of CPT surgical codes in this resource, it is even more important that the surgeon select the procedure code(s) because he or she was present for the delivery of service and knows exactly what happened. There is also discussion of the global surgical package, how to write a good operative report, and an explanation of the modifiers that are attached to the surgical codes. Finally, there are examples of procedure coding that show some of the potential problems in reporting surgeries. This section is very thorough, containing cases from general surgery as well as closely related specialties, such as pediatric and vascular surgery.

The CD also takes new physicians step by step through all phases of E/M coding, including selecting the code family, selecting the correct level, and documenting the E/M service. In explaining how to select the correct code level, the CD presents an important alternative to using the traditional measures of history, physical examination, and medical decision making: selecting the code based on time when counseling or coordination of care take up the majority of time. Use of the E/M documentation guidelines is explained.

If teaching physicians are to receive reimbursement from Part B of Medicare, they must be present for a portion of the service being provided. The CD explains what portion of the service the teaching physician must be present for (it varies by type of service) and what portions of the service the

resident may do on his or her own if the teaching physician wishes. It also explains the documentation requirements for various services.

Hospitals receive payment from Medicare, Medicaid, and many other payors on the basis of DRGs. There is a brief overview of DRGs to help the surgeon see the importance of documenting relevant diagnoses so a complete picture of the patient's condition is apparent to the hospital's coders. They, in turn, will be able to submit the codes that give the hospital the appropriate reimbursement for the case.

The CD contains several additional documents from CMS and the College that are helpful in other aspects of billing and reimbursement. Perhaps the most complete and useful of these documents is the *New Physician's Guide*. In addition to diagnosis and procedure coding, it contains chapters on applying for a billing number, Medicare as a secondary payor, reading remittance advices, and a number of important Part B policies such as performing services "incident to" a physician's services.

Members of the College who did not receive a copy of the CD can view it on the College's Web site in the "members only" section, at <http://www.facs.org/members/members.html#cpt>.

This CD does not tell residents and young surgeons all they need to know about diagnosis and procedural coding, however. Upon completion of this CD and spending some time mastering its contents, they will need the information presented in the College's basic coding workshop, Introduction to CPT, ICD-9-CM and Evaluation and Management Coding (Basic). The workshop complements this CD by offering an overview of a practice's business office, an overview of CPT, and more in-depth material on E/M coding. Each fall, the College announces the time and location of four workshops around the country in the following year. In addition, the College offers the workshop at Clinical Congress each year. Coding staff is welcome to attend along with the surgeon. □