

Productive Provider Newsletter

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M.P.E.C.S. Medical Professional Education and Consultation Services

Jim Meeks, P.A.-C.

Understanding Today's Healthcare,
Serving Today's Patients,
Meeting the Needs of Today's Practice.

Welcome to our expanding group of E-Zine subscribers. Thank you for signing up at www.mpecs.org.

It is my pleasure to bring to you my free updated and enhanced E-Zine called the **Productive Provider Newsletter**. Through this electronic publication, I attempt to bring you timely, thoughtful and valuable information on the confusing topic of Evaluation and Management (E&M) coding.

Please feel free to respond, comment and suggest on the content of this newsletter. For more information about me and on what I am doing, please visit me at www.mpecs.org. Also, feel free to forward this E-Zine to anyone you feel may be interested in learning more about E&M coding.

Thanks, enjoy this newsletter and have a great day.

AT A GLANCE: In today's Productive Provider Newsletter

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Sitting down together.

2. What is YOUR time worth?

Do you ever wonder how Medicare, Medicaid and insurance companies come up with the dollar amounts they are willing to pay for your services?

3. Perspectives on Time Management

"Is the jar full?" By this time the class was on to him. "Probably not," one of them answered.

Productive Provider Newsletter

Published (almost monthly) by Jim Meeks, P.A.-C.

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All material contained in this publication is the original work of Jim Meeks, P.A.-C. unless otherwise noted. Quotations from and references to this material are encouraged and authorized as long as credit is given to the author, this newsletter by name and reference to the MPECS web site is included.

1. Its Just MY Opinion

Texas is a great place! Last month (February), I had the great privilege of presenting a **PRACTICE PROFITABILITY WORKSHOP** at *Community Health Development, Inc.*, a community health center located in Uvalde, Texas. What a great experience. In this teaching situation, both medical providers and billing staff were present. This is a unique opportunity (having providers and billing staff together) in E&M training. I have advocated it for years.

Typically, billing and coding staffs attend workshops and training separate from the training that providers receive. Unfortunately, this seems to be the tendency in most training situations. Early in my medical career, I discovered that medical providers and billing personnel had unique and often different perspectives on billing issues. This was at times, a difficult situation to resolve. I often felt like I was on a different page from the office manager.

Once again, this recent experience has demonstrated to me the significant benefit it is to have both providers and billing staff present. Both groups asked pertinent questions about the subject of coding and billing that were helpful to themselves and to each other. Comments made were very well received by both parties as we sorted out some of the common problems encountered in daily medical practices. Everyone seemed to feel so much better about it all. At times, it was as if a light came on for some of them.

At the conclusion of the workshop, both groups expressed their satisfaction at being able to learn together. Both groups were very satisfied at being able to understand each other's perspective when it comes to coding. It truly was a great workshop.

When was the last time your practice had all the providers and all the billing staff meet together to discuss the issues of documentation, accurate coding and billing? Maybe now is a good time. Its just *MY* opinion.

Let me know what *YOU* think.

Jim Meeks, PA-C

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How often do you struggle with the choice between which levels of service to bill for? Is it a 99213 or is it a 99214? Do you know the specific elements of exam that determine which level to choose? Are you confident in your selection? Unless you have immediate access to a current CPT book, you risk potential down coding in your daily practice. Wouldn't it be great to have a quick reference that you could easily refer to in the exam room, the hospital, care center or where ever you are seeing patients?

The **POCKET CODER**® is the answer! It is perfect for your daily practice. It will solve your E&M code questions and eliminate down coding from your practice. Order yours today on line at www.mpecs.org.

2. What is YOUR time worth?

Do you ever wonder how Medicare, Medicaid and insurance companies come up with the dollar amounts they are willing to pay for your services? In the *good old days*, physician fees were based on a system of reasonable, usual and customary charges for a given procedure or service. This was somewhat of an arbitrary system of fees and not particularly appreciated by the government or insurance companies.

Payments for services are now based on a system of **RELATIVE VALUE** for your work. Relative values define the value of YOUR work, expense and liability in providing a medical service. Every CPT code we use in our medical practices has a relative value assigned to it. The Medicare system of relative value units is known as the "Resource Based Relative Value System (RBRVS)."

The Centers for Medicare and Medicaid Services (formerly HCFA) established the RBRVS in 1992 as the basis for payment, based on information from a government commissioned study at Harvard in association with the American Medical Association in the 1980s. In an effort to gain better control on the cost of medical care, this system is used to establish today's Medicare physician fee schedule.

The concept of relative value is based on three components: 1) The amount of work that goes into the given service or procedure, 2) the expense to the practice associated with the service or procedure, and 3) the professional liability incurred by the provider for providing the service. More than 70% of public and private payers have incorporated RBRVS into their formulas for payment calculations.

The RBRVS is not without it's critics. In an **Association of American Physicians and Surgeons** article *THE RESOURCE-BASED RELATIVE VALUE SCALE: A THREAT TO PRIVATE MEDICINE*, Jane M. Orient, MD likens it to an old idea, ". . . the objective theory of value, one of the fundamental tenets of Marxist economics." This article provides a unique perspective on the subject and is an interesting examination of the relative value concept. You can access the article at: <http://www.sitewave.net/aaps/brochures/rvs50.htm>.

In the mean time, my effort today is to help you understand how this system is used and help you to use this information for your benefit. Since I typically focus my attention to evaluation and management coding, I will focus on that today. However, the concept is equally applied to all CPT coding.

To keep this discussion simple, I will refer only to office visit codes for New and established patients today. These include the CPT codes of 99201-99205 (new patients) and 99211-99215 (established patients). The relative value (RVU) assigned to each of these codes is as follows;

| New Patients | | | Established Patients | |
|--------------|------|---------|----------------------|------|
| CPT | RVU | | CPT | RVU |
| 99201 | 0.95 | Level 1 | 99211 | 0.56 |
| 99202 | 1.70 | Level 2 | 99212 | 0.99 |
| 99203 | 2.25 | Level 3 | 99213 | 1.39 |
| 99204 | 3.59 | Level 4 | 99214 | 2.17 |
| 99205 | 4.58 | Level 5 | 99215 | 3.18 |

To calculate the Medicare physician payment for a service, the RVU above is multiplied by a dollar conversion factor which is the amount that is payable for the related CPT code. The 2004 conversion factor for evaluation and management (E&M) codes is \$37.3374. Why they carry it out to the fourth decimal place, I cannot even begin to speculate, but that is the amount for this year, an increase of 1.5% over last year's conversion factor.

One point that I need to emphasize here is that there is no direct correlation between new patient and established patient levels of care. I see this mistake over and over. A provider sees a patient and initially selects the "Level 3" (99213) for a patient encounter only to realize that the patient is a new patient (or visa versa) and simply changes the code to 99203. As reflected in the RVUs, the work, cost and liability is not the same. Extreme caution should be taken in these circumstances.

I cannot emphasize enough the importance of all health care providers fully understanding the evaluation and management coding process and the elements necessary to achieve any given level of care. If we routinely select a CPT code based on our arbitrary gut feeling of the level of care, we are at significant risk of coding inappropriately. Mistakes can be costly, especially in terms of down coding or up coding and the potential for audits.

Using the RVU system can be a great asset. If tracked appropriately, the information is very important. Let me give you an example. Lets say that you work in a practice where there are a number of providers. One provider routinely sees the acute care patients, sore throats, sniffles, coughs colds and such. This provider sees (for the sake of the example) about 22-27 patients per day. Another provider, equally capable, sees about 18-22 patients per day, but this provider's patients are of a higher acuity. By higher acuity, I mean that they are more difficult patients. They have multiple health conditions such as hypertension, hyperlipidemia, fibromyalgia and so on. Perhaps they are on multiple medications.

Now, the view from an administrator, practice manger or accountant might be that the first provider is more productive on a daily basis, seeing about 5 patients per day more, than the second provider. On a monthly basis, the difference becomes even more significant with the first provider seeing about a hundred more patients in a month than the second provider.

If one only looks at the numbers, this can be quite a problem. Believe me, this happens more often than you might think. However, remember that patient volume isn't the only - or always the best - way to measure productivity.

On the other hand, if the RVUs generated are used as the basis for evaluating production, it might be discovered that the second provider is actually more productive than the first. Perhaps most of his/her office visits are Level 4 and 5 patients (higher acuity) while the first provider in our example has most of his/her encounters with patients at the 2, 3 and 4 Levels (lower acuity).

In some practices, pay and production considerations are figured on RVUs generated by a provider. This

is probably more equitable than being paid by the hour or on the number of patients seen.

Additionally, cost analysis of practice overhead might be more equitably distributed amongst providers using the RVUs generated, rather than hours in the office or some other method. For example, surgical procedures in the office typically have higher RVUs than do office visits. Since surgical supplies and such are more costly than tongue blades and otoscope speculums, it would make sense to do cost per provider analysis based on the RVUs generated by each provider, especially if one provider does more office procedures than others in the same practice.

You can be assured that the insurance companies you are contracted with are using some form of RVUs to help them decide how much to pay you for the work you are doing. If you know that when you negotiate your contracts, you will be better equipped to ask the right questions. Ask them which RVU system they are using and what they're conversion factors are for E&M codes, surgical procedures, and x-ray services are.

The next time you want to negotiate your employment contract, consider the RVUs you generate as part of the calculation. Comparison to another provider may show that you are more productive (or less). Tying an incentive to RVUs generated is far less arbitrary than a lot of other methods I have seen.

Finally, if you are working in a community health center, free clinic or other location where you don't do a lot of billings in the first place, consider keeping track of RVUs generated anyway. When you negotiate contracts with government entities, seek federal, state or local grants, or other sources of funding; RVUs can be used to demonstrate the acuity of patients being cared for at your facility.

The RBRVS is not a perfect system. There are many shortcomings, which are not likely to be resolved any time soon. Understanding the system, how it is applied to what you do and how it affects your personal and practice profitability is up to you.

PRACTICE PROFITABILITY WORKSHOPS:

MPECS is dedicated to making your practice of medicine more productive, more profitable and ultimately more enjoyable. My comprehensive 4-hour PRACTICE PROFITABILITY workshop focuses on exactly what you need to know, the specifics of documentation and coding. If you ever find yourself questioning which E&M code you should use, you need this workshop!

The next MPECS workshop is scheduled in Salt Lake City on April 24, 2004. The web site has the current details. Mark your calendars and register early! Please visit www.mpecs.org for more information.

Other conferences where I will be speaking:

- California Association for Nurse Practitioners Conference, March 25, 2004, Monterey, California
- Society of Urologic Nurses and Associates Conference, October 25, 2004, Orlando, Florida
- Association of Family Practice Physician Assistants Conference, Nov. 3-7, 2004, San Antonio, Texas

3: *Perspectives on Time Management:*

One day, an expert in time management was speaking to a group of business students and, to drive home a point, used an illustration those students will never forget.

As he stood in front of the group of high-powered overachievers he said, "Okay, time for a quiz" and he pulled out a one-gallon, wide-mouth mason jar and set it on the table in front of him. He also produced about a dozen fist-sized rocks and carefully placed them, one at a time, into the jar.

When the jar was filled to the top and no more rocks would fit inside, he asked, "Is this jar full?"

Everyone in the class yelled, "Yes."

The time management expert replied, "Really?" He reached under the table and pulled out a bucket of gravel. He dumped some gravel in and shook the jar causing pieces of gravel to work themselves down into the spaces between the big rocks. He then asked the group once more, "Is the jar full?"

By this time the class was on to him. "Probably not," one of them answered.

"Good!" he replied. He reached under the table and brought out a bucket of sand. He started dumping the sand in the jar and it went into all of the spaces left between the rocks and the gravel. Once more he asked the question, "Is this jar full?"

"No!" the class shouted.

Once again he said, "Good." Then he grabbed a pitcher of water and began to pour it in until the jar was filled to the brim. Then he looked at the class and asked, "What is the point of this illustration?"

One eager beaver raised his hand and said, "The point is, no matter how full your schedule is, if you try really hard you can always fit some more things in it!"

"No," the speaker replied, "That's not the point. The truth this illustration teaches us is: If you don't put the big rocks in first, you'll never get them in at all. What are the 'big rocks' in your life, time with your loved ones, your faith, your education, your dreams, a worthy cause, teaching or mentoring others? Remember to put these BIG ROCKS in first or you'll never get them in at all.

So, tonight, or in the morning, when you are reflecting on this short story, ask yourself this question: What are the 'big rocks' in my life? Then, put those in your jar first.

The author of this story is unknown to me. I have had it my file of "good stories" for years. I find that this story is invaluable to me and helps me keep things in perspective. As we pursue our professional careers, I hope we don't forget to take time for the "big rocks" in our personal lives.

Have a great day.

Jim Meeks, PA-C

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WORKSHOPS: Do the E&M codes you are currently using actually reflect the level of care you provide? Attend an MPECS workshop where we focus on issues of documentation, physical exam criteria, medical decision making, chart auditing and other issues that are essential to maximizing your personal and practice success.

I will gladly bring a workshop to your community. Please contact me via my web site for more details. Also, please visit the web site often to check and see when and where workshops are being scheduled. Happy coding!

My comprehensive 4-hour PRACTICE PROFITABILITY workshops have been very successful. The comments and evaluations from participants are all very positive. Those in attendance have overwhelmingly appreciated the information presented.

If your local, state or national association is looking for CME activities, topics, lectures, workshops, I can help. Forward this E-Zine newsletter to your State CME chair. Contact me via www.mpecs.org.

TELL SOMEONE ABOUT US

If you like what you see, please recommend and forward this E-Zine to anyone that is interested in using Evaluation and Management codes more effectively, and in becoming more productive in his or her medical practice.

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