

# Pediatric Reimbursement

Secretary's Advisory Committee  
on Infant Mortality Meeting  
(SACIM)

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*March 1, 2005*



**OUR GOAL**

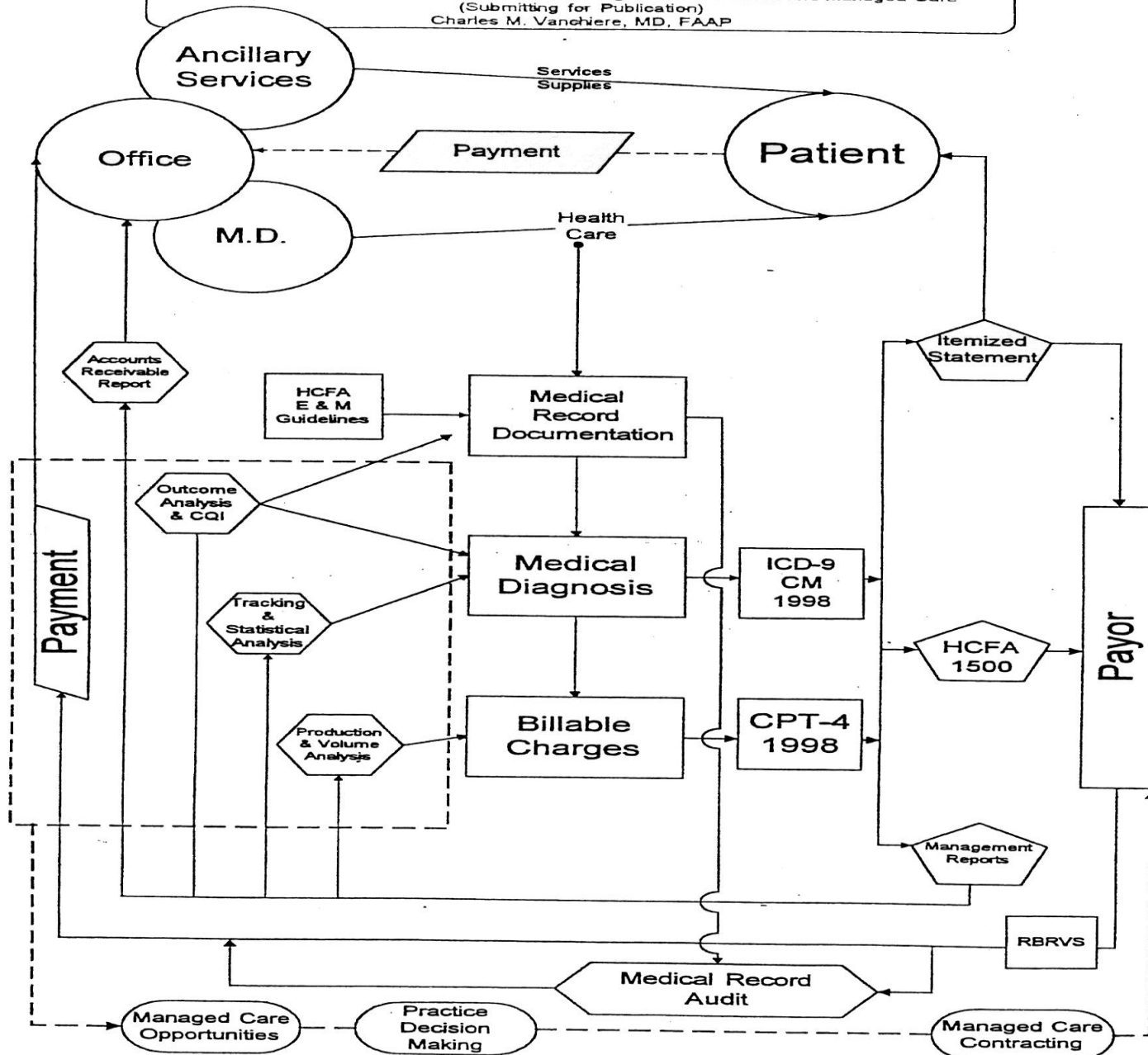
**BUILDING THE BUSINESS  
CASE FOR AN  
SUCCESSFUL CARE MODEL**

# THE PLAN

1. Review the Reimbursement Infrastructure for Pediatric Service Delivery
2. Discuss Existing /Future Needs

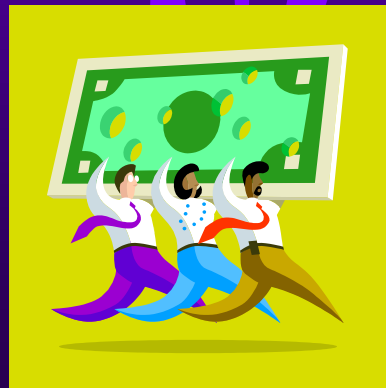
# Medical Encounter

"The Medical Encounter—Documentation, Coding, Reimbursement and Managed Care"  
(Submitting for Publication)  
Charles M. Vanchiere, MD, FAAP



# An Overview

THE BIG PICTURE - HOW  
SERVICES ARE PAID



# HOW SERVICES ARE PAID



First...DEFINE THE SERVICE

Then...GET A CODE! (AMA CPT)

# The Coding System

The Coding System Forms a  
Key Component

of the Reimbursement Infrastructure  
for Physician Services

# The Coding System

Physicians Report Services Provided to Patients to Payers Using Numeric Codes

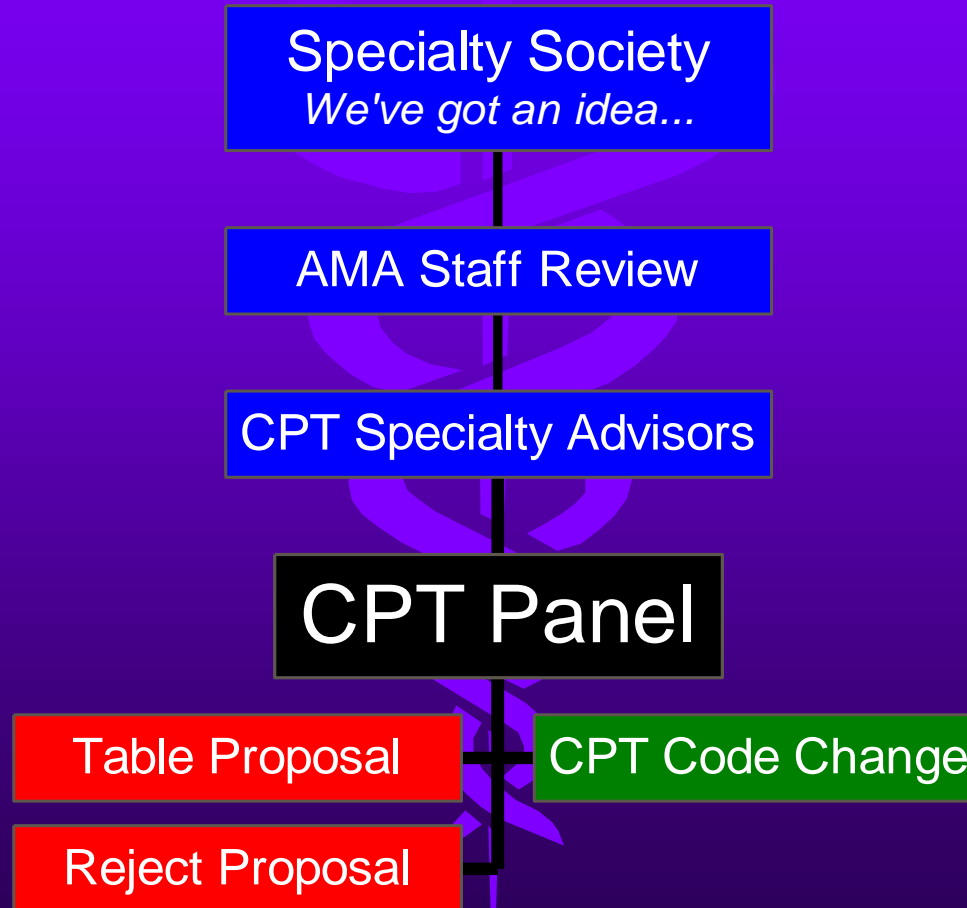
HIPAA Requires Certain Code Sets for Electronic Transactions

CPT and ICD are the Core Code Sets Used by All Physicians



# The CPT Process --

## The genesis of a code



# CPT- CURRENT PROCEDURAL TERMINOLOGY

- BEGAN IN 1966
- >8000 CODES- OFFICIAL CODE SET FOR HIPAA
- OWNED BY AMA
- REVISED YEARLY -FALL (October)

# CPT - THE EDITORIAL PANEL

- 17 VOTING MEMBERS
  - 16 MD'S 1 PT
  - 3 ARE PAYERS (CMS, BCBS, PVT)
- NOMINATED BY SPECIALITY SOCIETY
- APPOINTED BY AMA BOARD
- 4 AND 8 YEAR TERMS

# CPT ADVISORY COMMITTEE

- ADVISES the EDITORIAL PANEL
  - 100 SPECIALTY SOCIETIES
  - EACH HAS ONE ADVISOR
- ADVISOR PRESENTS CODE PROPOSAL
- ADVISOR COMMENTS ON ALL CODES

# HOW SERVICES ARE PAID

Next...GET A VALUE (AMA RUC)

Then...CMS (RBRVS-Medicare FEE SCHEDULE)

# The RUC Process

## Genesis of Relative Value for Physicians

Review by Specialty Society Advisors

RUC Survey

RVS Update Committee

CMS &  
Carrier Medical Directors

Federal Register

# RBRVS

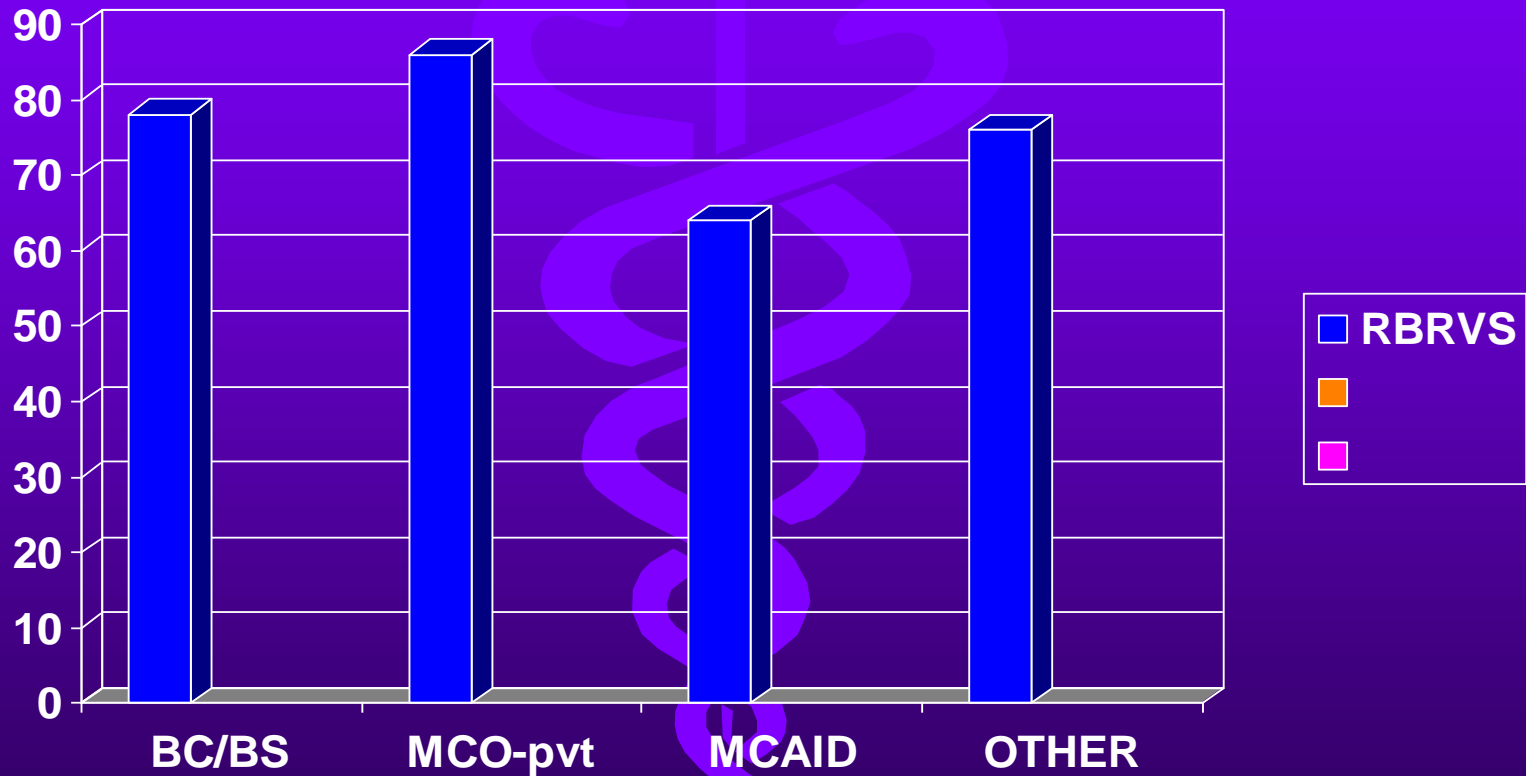
- Fee Schedule of CMS-Medicare
- Used by most ALL Payers
- Most CPT codes have a "Relative Value"

# RBRVS AND PEDIATRICIANS

Resource Based Relative  
Value Scale



# RBRVS by PAYER



# HOW SERVICES ARE PAID

Plus... PAYERS- (ADOPT RBRVS -  
VARIATIONS in PAYMENT POLICY)  
"PAYMENT POLICY"

Example- Obesity Services Are  
Excluded from Coverage (by ICD  
Code)

# HOW SERVICES ARE PAID

Combine...EMPLOYER (PURCHASE A PACKAGE OF "COVERED BENEFITS")

Example-The Policy May Not Cover Any Preventive Services- excludes Well Child Care

# HOW SERVICES ARE PAID

Last.....PROVIDER  
CONTRACTS  
With PAYERS

Individual physician , Group  
Practice, IPA

# HOW SERVICES ARE PAID

PROBLEMS AND SOLUTIONS

ARE FOUND AT

EACH LEVEL!

# If Services Are Not Paid.....Where Is The Problem?

Code- CPT/ICD (system or individual)

RBRVS- RUC or CMS

Payment Policy of Payer-

Patient- Covered Benefit-

The Contract-

# Payment Policy

**"Good Codes Do Not a Dollar Make"**  
*Finding the Value!*

- Payers Will be Insurance Companies, Employers, State and Federal Agencies, and our PATIENTS
- All Must Find the Value in Preventive and Treatment Services
- How Do WE Create Value?

# BEST PRACTICES- THE CHARGE

1. DEVELOP THE BEST CLINICAL CARE MODEL USING EBM
2. ENSURE AVAILABILITY of ADEQUATE CPT and ICD CODES for REIMBURSEMENT and REGISTRIES
3. TEACH BOTH to PROVIDERS *and* PAYERS





# PEDIATRIC CODING RESOURCES

# Resources-Publications

## BOOKS

- AMA-
  - Current Procedural Terminology 2005
  - Physician's Guide to the RBRVS
  - ICD 2005
  - Code Manager- 2005 (Electronic)
- AAP-
  - Coding for Pediatrics 2005
  - Quick Reference Guide to Pediatric Coding and Documentation -2005

# Resources- Publications Newsletters

- AMA- CPT Assistant
- AAP News- Coding Corner (monthly)
- AAP Coding Companion
- Pediatric Coders Pink Sheet
- Pediatric Coding Alert