Secrets of Highly Successful Refractive Cataract Surgery Practices

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Financial Disclosure

Kevin J. Corcoran is President of Corcoran Consulting Group and acknowledges a financial interest in the subject matter of this presentation.

Key Points
- Define covered and noncovered services
- Adopt pre-testing strategy as a triage tool
- Charges are proportional to products and services
- Document financial responsibility
- Separate physician and facility
- Follow co-management best practices
- Follow ASCRS/AAO, CMS guidance for FS laser
- Provide choices, not a one-size-fits-all solution

Critical Distinction
- How does routine cataract surgery differ from refractive cataract surgery?

Critical Distinction
- Routine Cataract Surgery
  - Refractive Cataract Surgery
  - Also, addresses:
    - Astigmatism
    - Presbyopia

Covered by Insurance?
- Covered
  - Exam or consultation
  - Biometry
  - Surgery and postop
  - Conventional IOL
  - Facility fee
  - Anesthesia
- Not covered
  - Refraction
  - Tests for ammetropia
  - Refractive surgery
  - IOL upgrade
  - Added facility fee
  - Extended postop care
Covered vs. Non-covered

- Covered
- Follow insurance rules
- Not covered
- Patient pay

Refractive Cataract Surgery
Reimbursement Grid

<table>
<thead>
<tr>
<th></th>
<th>Facility</th>
<th>Physician</th>
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</thead>
<tbody>
<tr>
<td>Covered</td>
<td>GY</td>
<td>GY</td>
</tr>
<tr>
<td>Non-covered</td>
<td>Patient pay</td>
<td>Patient pay</td>
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</tbody>
</table>

Patient shared billing: covered & non-covered services
LRI – Limbal relaxing incisions, refractive keratoplasty

Refractive Cataract Surgery
Reimbursement Grid

Noncovered Preoperative Testing

- Refraction
- Corneal topography
- SCODI-A
- SCODI-P
- Wavefront aberrometry
- Contact lens trial
- Pachymetry

Coding and Claim Submission

- 92015-GY    Refractive error
- 92025-GAGY  Regular astigmatism
- 92132-GAGY  Prophylactic screening
- 92134-GAGY  Prophylactic screening
- 92015-22GY  Higher order aberrations
- 92310-GY    Refractive errors
- 76514-GAGY  Normal cornea

Noncovered Preoperative Testing

- Prior to first surgery, OU $564
- Prior to second surgery $ 0
- Alternately $282 per eye

For illustration purposes only
Advance Beneficiary Notice of Noncoverage (ABN)

- Option 1. I want the _____ listed above. You may ask to be paid now, but I also want Medicare billed for an official decision on payment…I can appeal to Medicare…
- Option 2. I want the _____ listed above, but do not bill Medicare. You may ask to be paid now as I am responsible for payment. I cannot appeal to Medicare…
- Option 3. I don’t want the _____ listed above. I understand with this choice I am not responsible for payment…I cannot appeal to Medicare…

Notice of Exclusion from Health Plan Benefits (NEHB)

- Utilize NEHB for non-Medicare beneficiaries
- Beneficiary may not know that certain services are not covered by health insurance
- Item or services excluded from benefits
- May be customized

Medicare Advantage Organizations

- Do not use an ABN
- Notice of denial of coverage issued by MAO (similar to a preauthorization)
- Pre-service organization determination from the MAO
  - Patient requested
  - Provider requested
  - Check with MAO plans on process

Modifier - GY

Item or service statutorily excluded or does not meet the definition of any Medicare benefit or, for non-Medicare insurers, is not a contract benefit.

Line 19 “Seeking denial for secondary payer”
Line 19 “Cosmetic surgery exclusion”

66999-GY 367.21 Regular astigmatism

Medicare’s Policy
Presbyopia-Correcting IOLs

- “…the facility and physician may take into account any additional work and resources required for insertion, fitting, vision acuity testing, and monitoring of the presbyopia-correcting IOL that exceeds the work and resources attributable to insertion of a conventional IOL”
- “…the beneficiary requests this service”
- “The physician and the facility may not require the beneficiary to request a presbyopia-correcting IOL as a condition of performing a cataract extraction with IOL insertion”

Source: Transmittal 636

Patient Choices

- Conventional surgery, aspheric IOL
- Monovision
- Surgical correction of corneal astigmatism (SCOCA)
- Astigmatism-correcting IOL
- Presbyopia-correcting IOL
- P-C IOL + SCOCA

Patient Choices

- Aspheric IOL
- Monovision
- SCOCA, LRI, PRK, etc.
- Astigmatism-correcting IOL
- Presbyopia-correcting IOL
- P-C IOL + SCOCA
- Patient pay $0, NTIOL
- Small $ for noncovered tests
- Moderate $$
- Moderate $$ + Toric IOL
- Moderate $$ + P-C IOL
- Highest $$$$ + P-C IOL

Deluxe IOL

Price of deluxe IOL $ 950.00
Shipping, taxes, restocking + 50.00
Payment for standard IOL* - 150.00
Deluxe IOL charge $ 850.00

* Value of IOL imputed by contract with payer

Surgeon’s Claim

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<tr>
<th>21</th>
<th>366.16 Cataract</th>
<th>367.4 Presbyopia</th>
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<td>24.b</td>
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<tr>
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Facility’s Claim

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<td>Astigmatic correction</td>
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<tr>
<td>MM/DD/YYYY</td>
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<td>Presbyopia-correcting IOL</td>
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FS Laser Guidance

- January 2012 ASCRS/AAO joint guidance
- Providers may not “balance bill” a Medicare patient or his or her secondary insurer for any additional fees to perform covered components of cataract surgery with an FS laser.
- The patient must be informed about, and consent to, the additional out-of-pocket-costs in advance.
- A refractive lens exchange is not medically necessary and therefore is not covered

Source: ASCRS/AAO Guidance

FS Laser Guidance

- A surgeon may use the FS laser for the cataract surgery, but neither the surgeon nor the facility may obtain additional reimbursement from either Medicare or the patient over and above the Medicare-allowable amount.
- Neither the surgeon nor the facility should use the differential charge allowed for implantation of a premium refractive IOL to recover all or a portion of the costs of using the FS laser for cataract surgical steps.
**FS Laser Guidance**

- Patient-shared pricing with one cost for a premium IOL, and a higher cost for the additional use of the FS laser to perform the cataract surgical steps, should not be offered.
- Medicare patients may be charged a fee for performing astigmatic keratotomy, assuming that they were informed about, and consented to, the non-covered charges in advance.

**FS Laser Guidance**

- Because astigmatic keratotomy for refractive indications is a non-covered service, a higher fee can be charged for performing it using the FS laser, instead of with a metal or diamond blade.
- While most astigmatism treatment is not covered, Medicare does cover the treatment of large degrees of astigmatism that were the result of previous ocular surgery. Local coverage determinations may apply.

**FS Laser Guidance**

- Advertising: Promotional claims must be consistent with the best available clinical evidence and should not be deceptive or misleading to patients.
- Transparency: Patient-shared pricing should be discussed openly with the patient. Increased charges should be explained and documented.

**ASC Buys IOLs**

- Best practices entail ASC purchases IOLs from manufacturer.
- Avoid giving the appearance of payment for referral between ASC and surgeon.
- 2014, Memorial Hospital, Ohio – substantial fine when “an ophthalmologist purchased IOLs and then resold them to Memorial at inflated prices”

**OIG Advisory Opinion: Co-management**

- OIG publishes opinion on co-management involving non-covered services associated with premium IOLs.
- Tightly worded favorable opinion.

**Co-management Best Practices**

- Proper motivation consistent with professionalism.
- Surgeon decides suitability for surgery.
- Surgeon and patient discuss postop care options.
- Co-management depends on what is best for patient.
- Document patient’s choice.
- Adhere to Medicare instructions.
- Follow other third party payers’ policies.
- Ensure fair market value for services performed.
- Transparent billing so patient knows amount paid to each provider.

Source: OIG Advisory Opinion No. 11-14
## Co-management Deluxe IOLs

**Do**
- Assign roles and responsibilities
- Reduce surgeon’s refractive fee
- Collect separate payment for noncovered refractive services performed
- Obtain two financial waivers for noncovered services

**Do not**
- Extrapolate Medicare’s 80/20 rule to determine value of noncovered services
- Comingle funds
- Factor in the cost of IOL
- Fail to provide patient with clear description of co-management arrangement

## Summary

**Do’s**
- Pre-testing
- Clearly explain choices
- Document selection
- Collect $ before surgery
- Separate MD and ASC
- Patient pay for SCOCA

**Don’ts**
- Use one-size-fits-all
- Patient pay for cat sx
- Disguise fees
- Comingle funds
- Co-manage all cases
- MD purchase IOL

## Additional Assistance

(800) 399-6565
Website:  www.CorcoranCCG.com
Mobile application:  Corcoran 24/7