Changing Health Care Financing for EHDI Programs: The Essential Elements of Reimbursement

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Topics

- Models of operation and reimbursement
- Medicaid reform
- Trends/changes in healthcare reimbursement
  - Impact on intervention
  - Impact on diagnostics
Operational Models of Screening

- Hospital staff + hospital equipment
- Outside entity + hospital equipment
- Outside entity + privately owned equipment

- Billing pattern varies according to operational model
Reimbursement Formula

- **Professional component (Work RVU)**
  - Pre-service work
  - Intra-service work
  - Post-service work

- **Technical Component (Practice Expense RVU)**
  - Equipment depreciation
  - Ancillary staff
  - Disposable supplies

- Malpractice RVU
Hospital Staff & Equipment

- Professional component (Work RVU)
  - Pre-service work
  - Intra-service work
  - Post-service work

- Technical Component (Practice Expense RVU)
  - Equipment depreciation
  - Ancillary staff
  - Disposable supplies

- Malpractice RVU
Outside Entity & Hospital Equipment

- Professional component (Work RVU)
  - Pre-service work
  - Intra-service work
  - Post-service work

- Technical Component (Practice Expense RVU)
  - Equipment depreciation
  - Ancillary staff
  - Disposable supplies

- Malpractice RVU
Outside Entity & Privately Owned Equipment

- Professional component (Work RVU)
  - Pre-service work
  - Intra-service work
  - Post-service work

- Technical Component (Practice Expense RVU)
  - Equipment depreciation
  - Ancillary staff
  - Disposable supplies

- Malpractice RVU
Modifiers

- Professional component designated by -26 modifier
- Technical component designated by -TC modifier
- Reduced Service -52

Example: 92587-26
Example: 92586-TC
Outside Entity with Hospital Contract

- Contract specifies the scope of service
- Typically do not report CPT codes or process billing
- Possible credentialing with hospital (not all hospitals credential)
- Medical chart entry / Electronic medical record
- Active participation versus supervision versus consultation
Selection of Procedure

- JCIH guidelines re: (A)ABR and OAE
- No restriction on universal application of ABR
- Size of nursery, number of births per day, equipment availability are determining factors
- Personnel execution of tests (nurse / technician / audiologist / volunteer)
- Role of the audiologist
OAE CPT Codes

- **92558** Evoked otoacoustic emissions; screening (qualitative measurement of distortion product or transient evoked otoacoustic emissions), automated analysis

- **92587** Distortion product evoked otoacoustic emissions; limited evaluation to confirm the presence or absence of hearing disorder, 3-6 frequencies) or transient evoked otoacoustic emissions, with interpretation and report

- **92588** Distortion product evoked otoacoustic emissions; comprehensive diagnostic evaluation (quantitative analysis of outer hair cell function by cochlear mapping, minimum of 12 frequencies), with interpretation and report
AEP CPT Codes

- 92586 Auditory evoked potentials for evoked response audiometry and/or testing of the central nervous system; limited
- 92585 Auditory evoked potentials for evoked response audiometry and/or testing of the central nervous system; comprehensive
ICD-9 Codes

- 389.XX family
  - 389.11 Sensory hearing loss, bilateral
  - 389.18 Sensorineural hearing loss, bilateral
- V72.19 Other exam of ears and hearing
  - Do not use this code routinely
  - Typically not accepted for reimbursement
  - Exception is special purpose designation by payer (Ex.: Florida Medicaid) – limited to initial screen
Documentation

- Reason for test
  - Risk factor
  - Universal newborn hearing screen
  - Physician request

- Procedure performed
- Procedure outcome
- Recommendations
- Signature
- Date of Service / Test
Occasions when outside providers will bill, for example, Medicaid but not commercial payers

Many commercial payers claim that they pay for the service, but it is included in per diem or DRG-type of payment

Occasionally will pay above and beyond per diem but often requires documentation to support payment
Medicaid Reform

- Major payer in each state
  - Ex.: 48% of births in Florida are Medicaid

- Move everything to managed care
  - Medical necessity (Definition varies)
  - Dictate provider network
  - Access to care
    - Diagnostics
    - Hearing aids
    - Cochlear Implants
    - Intervention (language / speech)
Change in Reimbursement

- MEDPAC: Move away from Fee for Service
  - Encourages increased utilization
  - More services => more payment
  - Questions of true medical necessity

- IOM and CMS: Move away from Fee for Service
Value Based Purchasing

- Promote evidence based medicine
- Require clinical and financial accountability across all settings
- Focus on episodes of care
- Better coordination of care
- Payment based on outcomes, not number of sessions (performance based payment)
- Focus on effectiveness of treatment
Impact on Intervention

- Bundled payments
- Single payment for X number of sessions
- Success based on functional status and not number of sessions
- Bundled payment models de-emphasize services that increase utilization and cost
Impact on Diagnostics

- Bundled payment for grouped diagnostic procedures
- New, combined codes
  - 95% screen for coincident billed codes
  - 75% screen captured additional codes
  - 50% screen is coming
Changing Landscape

- October 1, 2013
- To International Classification of Diseases, 9th Revision, Clinical Modification
- ICD-10-CM
  - ICD-9-CM approximately 18,000 codes
  - ICD-10-CM approximately 160,000 available codes provides more flexibility for adding new codes.
Changing Landscape

- International Classification of Functioning, Disability and Health (ICF)
- Describes body functions, body structures, activities, and participation
- Useful for understanding and measuring outcomes
- ASHA has online information available
“How we practice is determined by how we are paid

Peter Hollmann, M.D.
Preparing and Thinking
Outside the Box

- Know the cost of service delivery
- Examine additional resources that can be used to reinforce and generalize skill acquisition (e.g., auditory discrimination, language foundation, speech production)
  - Family members
  - Caregivers
- Examine traditional models for frequency/intensity of intervention sessions
The Future Is Now!
Thank You

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