# 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

# Bill All Payers vs. Some Payers (Initial Screen)

- 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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