

Becker's ASC Review's  
12th Annual Spine, Orthopedic and Pain  
Management-Driven ASC Conference  
June 12-14, 2014  
Westin Michigan Avenue, Chicago

## Reimbursement for Pain Management in the Coming Years

Copyright © 2014 Mowles Medical Practice Management, LLC. All rights reserved

---

---

---

---

---

---

---

---

### Reimbursement in Question

Q. What does the future hold for  
Interventional Pain Management  
procedure reimbursements?

A. One has to understand the  
payment system that applies to  
different venues and how they are  
calculated.

2

---

---

---

---

---

---

---

---

### A Look Back

- Medicare Site of Service Differential in CY 2000 **seemed** to encourage performing procedures in an office suite.
- Average** differential on Medicare procedures **was** approximately \$125 or 48% higher in an office
- Global on Fluoro **was paid in addition to the procedure prior to CY 2013**. Medicare paid approximately \$75.00

3

---

---

---

---

---

---

---

---

### High Utilization Seemingly Driven By Reimbursement

CPT	2000-2005 Non-Facility	2006-2011 Non-Facility	2012-Present Revised to include Image Guidance (Fluoro or CT)
27096 SI Joint Injection	Approximately \$480.00	Approximately \$200.00	Approximately \$170.00

4

---

---

---

---

---

---

---

---

---

---

### Needle Localization Trends

- Ultrasound use rather than C-arm
  - Not paid for spinal injection procedures
  - Enormous increase in use with “other”, i.e. joint injections
  - Average Medicare reimbursement in office (Global) \$74.00 – non Medicare \$220.00

5

---

---

---

---

---

---

---

---

---

---

### Medicare Physician Payment Schedule

Work RVU x Work (GPCI)  
 Practice Expense (PE) RVU  
 x PE GPCI  
 Malpractice (PLI) RVU x PLI  
 GPCI  
 = Total RVU  
 CY Conversion Factor  
 = Medicare Payment

- RVUs -Physician work relative value units PE - Practice expense
- PLI - Professional liability insurance
- GPCI -geographic practice cost index

6

---

---

---

---

---

---

---


---

---

---

### 2014 IPM Professional Fee Cuts

- All pain physicians are affected
- Office based practices have the most severe impact

 ■ How and why did this happen?

7

---

---

---

---

---

---

---

---

### Use and Cost/Payment Review

- Vast increase in IPM procedures (epidurals, facet joint injections, SI joint injections) plus what is considered to be potentially misvalued codes.
- Entire **VALUE** was called into question from IPM Societies
  - + Physician work
  - + Practice expense
  - + **TIME** and intensity – *not just time*

8

---

---

---

---

---


---

---

---

### RUC Survey/CMS Actions

- CMS arrived at lower work RVUs (\$42 per procedure) for all codes using time as the sole reason for the reduction
- CMS also reduced practice expense value



9

---

---

---

---

---

---

---

---

### Office Reimbursement Future Uncertain



A reversal for 2015 for the drastic cut in pro fees is in process; however, CMS may not take RUC recommendations.

The process though starts with the premise that the current values are correct and misvalued calculations will require convincing evidence.

10

---

---

---

---

---

---

---

---

### Direct Cost Reality

Item Description	Cost/Case
Epidural Tray	\$8 - \$15
Contrast Dye	\$15 - \$25
Equipment	\$60 - \$100
Staffing	\$30 - \$50
TOTAL	\$113 - \$190

Payment for Space? Utilities? Physician Payment?  
 What components above are covered separately?

11

---

---

---

---

---

---

---

---

### 2014 Professional Payment-Place of Service Office (Epidurals)

CPT	2013 Non-Facility	2014 Non-Facility	Percent Change from 2013 Non-Facility
62310 Cervical	\$251.77	\$110.69	-56%
62311 Lumbar	\$211.96	\$108.90	-48.6%
62318 CT Continuous	\$240.20	\$111.41	-53.6%
62319 LS Continuous	\$173.52	\$114.99	-33.7%

12

---

---

---

---

---

---

---

---

### 2014 Professional Payment-Place of Service Facility (Epidurals)

CPT	2013 Pro Fee-Facility	2014 Pro Fee-Facility	Percent Change from 2013 Facility
62310 Cervical	\$110.23	\$74.15	-32.7%
62311 Lumbar	\$89.82	\$75.72	-19%
62318 CT Continuous	\$100.03	\$79.53	-20.5%
62319 LS Continuous	\$96.97	81.32	-16.1%

13

---

---

---

---

---


---

---

---

### Spinal Cord Stimulator Trials (Office)

CPT	2014 Pro Fee Non-Facility	Comments
63650	TOTAL \$1,349.44	
L8680	0	L8680 is bundled into the Medicare fee schedule for offices effective 4/1/2014



14

---

---

---


---

---

---

---

---



### Venue Comparisons

- Professional fees are generally 20%-30% lower in an ASC
- Facility fees average 65%-80% of professional fees
- Net income averages approximately 40% higher in an ASC

15

---

---

---

---


---

---

---

---

### Challenges to Pain in Offices



- Policy makers in Washington are proposing an initiative to shift the delivery of interventional pain management from the ASC setting to physician offices or less sophisticated platforms.

16

---

---

---

---

---

---

---

---

### ASCA Physician Steering Committee

- Delegated to:
  - Help define the problem
  - Craft a strategic plan to ensure that pain management is safe and effective for all Medicare patients
  - Develop the necessary resources to implement that plan
- Currently, members are collecting data and developing multimedia messages and issue briefs for multilateral educational briefs with legislative and regulatory leaders.

17

---

---

---

---

---

---


---

---

### Office Based State Jurisdiction Trends

**37** State Health Departments have jurisdiction on office based surgery meeting various thresholds

- Levels of anesthesia used and/or complexity of procedure performed requires a License, State Registration and/or Accreditation
- Expensive, onerous preparation and ongoing surveys **for no extra money** AND less revenue from Medicare AND additional State Laws vary significantly



18

---

---

---

---


---

---

---

---

## 2014 Medicare ASC Final Rule



19

---

---

---

---

---

---

---

---

### Add-On Codes

Unconditionally packaged procedures described by add-on codes  
 – Ex: 64480 is **not** separately payable to an ASC as it is packaged into 64479; for 2014, 64480 has N1 payment indicator or “Packaged service/item; no separate payment made”

Addendum AA -- Final ASC Covered Surgical Procedures for CY 2014 (Including Surgical Procedures for Which Payment is Packaged)

HCPCS Code	Short Descriptor	Subject to Multiple Procedure Discounting	Final CY 2014 Comment Indicator	Final CY 2014 Payment Indicator	Final CY 2014 Payment Weight	Final CY 2014 Payment Rate
64479	Inj foramen epidural c/t	Y		A 2	8.5131	\$370.07
64480	Inj foramen epidural add-on	N	CH	N1		
64483	Inj foramen epidural l/s	Y		A 2	8.5131	\$370.07
64484	Inj foramen epidural add-on	N	CH	N1		

20

---

---

---

---

---

---

---

---

### 2014 Medicare ASC Fee Changes Transforaminal Epidural

	64479	+64480	64483	+64484
2014	\$370.07	\$0.00	\$370.07	\$0.00
2013	\$317.46	\$163.70	\$317.46	\$163.70
2013 2 levels/ 3 levels	\$399.31 / \$481.16		\$399.31 / \$481.16	
Difference for 1 level	\$52.61	-	\$52.61	-
Difference for 2 levels	-\$29.24	-	-\$29.24	-
Difference for 3 levels	-\$110.99	-	-\$110.99	-

For 2014, 64479 & 64483 continue to be subject to multiple procedure discounting

21

---

---

---

---

---

---

---

---

**2014 Medicare ASC Fee Changes**  
**Paravetbral Facet Joint Injections**

	64490	+64491	+64492	64493	+64494	+64495
2014	\$370.07	\$0.00	\$0.00	\$370.07	\$0.00	\$0.00
2013	\$317.46	\$102.47	\$102.47	\$317.46	\$102.47	\$102.47
2013 2 levels/ 3 levels	\$368.78 / \$419.93		\$368.78 / \$419.93			
Difference for 1 level	\$52.61	-	-	\$52.61	-	-
Difference for 2 levels	\$1.29	-	-	\$1.29	-	-
Difference for 3 levels	-\$49.86	-	-	-\$49.86	-	-

For 2014, 64490 & 64493 continue to be subject to multiple procedure discounting 22

---

---

---

---

---

---

---

---

---

---

---

---

**2014 Medicare ASC Fee Changes**  
**Paravetbral Facet Joint Destruction**

	64633	+64634	64635	+64636
2014	\$853.53	\$0.00	\$853.53	\$0.00
2013	\$317.46	\$102.47	\$480.71	\$317.46
2013 2 levels/ 3 levels	\$368.70 / \$419.93		\$639.44 / \$798.17	
Difference for 1 level	\$536.07	-	\$372.82	-
Difference for 2 levels	\$484.83	-	\$214.09	-
Difference for 3 levels	\$433.60	-	\$55.36	-

For 2014, 64633 & 64635 continue to be subject to multiple procedure discounting 23

---

---

---

---

---

---

---

---

---

---

---

---

**2014 Medicare ASC Fee Changes**  
**Spinal Cord Stimulator Trial**

	63650	Multiple Procedure Discount	Payment Indicator	L8680
2014	\$3,691.78	N	J8	N/A
2013	\$3,550.55	N	J8	N/A

J8- Device-intensive procedure; paid at adjusted rate 24

---

---

---

---

---

---

---

---

---

---

---

---



## Office Based IPM move to own ASC?

- The key answer here is not just revenue.
- Having your own facility generates income, but can also consume very large amounts of time and overhead.
  - Revenue has to be viewed in context of risk, hours input, etc.



25

---

---

---

---

---

---

---

---

## Pain in Facility Trends

### LEI (62311) Example

- ASC payments increased by 15% from 2001 to 2014.
- Hospitals have consistently gained increases of 213% from 2001 to 2013 and 271% from 2001 to 2014.
- 2014 drastic cuts in non-facility payment and state regulations shows increased move towards pain management in licensed facilities.
- Multi-specialty ASC's without a pain program are adding the service
- Many hospitals expanding or adding pain services
- Some hospitals buying pain practices and ASC's<sup>26</sup>

---

---

---

---

---

---

---

---

## Stay Informed and Involved

- ✓ Be aware of what is going on in the pain management industry.
- ✓ Know what Medicare is planning next and how it will affect your bottom line.
- ✓ Any ASC with adequate pain management procedure volume to keep providers and staff productive and equipment busy will be profitable with it
- ✓ IPM physicians – join the ASCA steering committee



27

---

---

---

---

---

---

---

---

### Resources and References

- **State Laws and Regulations**  
<http://www.aaahc.org/en/news/Federal-and-State-Regulations/State-Laws-and-Regulations/>
- American Society of Interventional Pain Physicians**  
<http://www.asipp.org/>
- CY 2014 Physician Fee Schedule Final Rule**  
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html?redirect=physicianfeesched/>
- CY2014 OPPI/ASC Final Rule (CMS-1601-FC)**  
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html?redirect=ascpayment/>

28

---

---

---

---


---

---

---

---

## Your Turn



29

---

---

---


---

---

---

---

---



MOWLES MEDICAL PRACTICE MANAGEMENT, LLC

447 Penwood Drive  
Edgewater, Maryland 21037  
Phone (410) 956-1907  
Fax (443) 782-2386  
E-mail: amy@mowles.com  
www.mowles.com

30

---

---

---

---

---

---

---

---