

Coverage policies guide coding for procedures and tests

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Adapted for publication in *Ophthalmology Times*, September 15, 2005

A key to maximizing reimbursement from the Medicare program is to understand its regulations. Fortunately, many valuable regulatory pearls can be located even without comprehensive review of the Federal Register.

National Coverage Determinations (NCDs) and Local Coverage Determinations (LCDs) form the backbone of coverage policy. They can be quickly accessed through the search page of the Medicare program's website at <http://www.cms.hhs.gov/mcd/search.asp>.

National Coverage Determinations are developed by the Centers for Medicare and Medicaid Services (CMS) and apply nationally. An NCD is a determination as to whether an item or service is covered nationally. The NCD does not address coding guidelines or payment levels. The regulations set forth in the NCD cannot be negated by local policy.

Several of the well-established NCDs that apply to ophthalmology are those addressing endothelial cell photography, IOLs, intraocular photography, and visual testing prior to cataract surgery.

Two of the newer NCDs that are very interesting and relevant are the related NCDs on ocular photodynamic therapy ("OPT," known more commonly to ophthalmologists as PDT) and on verteporfin (Visudyne, Novartis/QLT Inc.).

Tip O'Neill used to say, "All politics is local." When it comes to coverage determinations, local versions (LCDs) often convey the most useful and timely information. In my consulting work, I find that I refer far more frequently to LCDs than I do to NCDs.

LCDs cannot conflict with NCDs. Instead, they amplify on existing NCDs or address issues for which there are no NCDs.

Local Coverage Determinations are developed by the local Medicare carrier medical director. The local medical director cannot be knowledgeable about all medical specialties. Therefore, the local carrier director relies on input from the state or regional Carrier Advisory Committee when developing an LCD.

The LCD only applies to the carrier that has developed the policy. LCDs on the same subject can vary significantly from carrier to carrier. For example, the LCD on extended ophthalmoscopy from Empire Medical Services of New York requires a "3-4 inch drawing" as part of the service. Such specificity on the drawing requirement is not found in the Florida LCD pertaining to extended ophthalmoscopy.

Examples of LCDs that apply to eye care services include those on general ophthalmological services (roughly speaking, the "eye codes"), Yag laser capsulotomy, extended ophthalmoscopy, upper eyelid surgery (e.g., blepharoplasty and ptosis repair), and scanning computerized ophthalmic diagnostic imaging (e.g., OCT (Zeiss) , GDx (Laser Diagnostic Technologies), Heidelberg Retina Tomograph (Heidelberg Engineering)).

Local Coverage Determinations are more focused than the documents they are designed to replace known as Local Medical Review Policies (LMRPs). LCDs are limited to issues of medical necessity. For example, an LCD will typically list diagnoses for which a procedure or service may be covered.

Frequency guidelines are often included in LCDs. For example, the LCDs on scanning computerized ophthalmic diagnostic imaging (CPT 92135) often discuss frequency issues. The LCD may indicate that one test per year is reasonable to follow glaucoma suspects or patients with mild glaucomatous damage, whereas two SCODI tests per year (or one SCODI plus one visual field test) may be appropriate for most patients with moderate glaucoma.

A document known as "Coding Guidelines" or a Coding Article may accompany an LCD. The Coding Guidelines often provide coding instructions such as which CPT codes apply and which modifiers should be used.

Essentially, the combination of an LCD plus its Coding Guidelines conveys the same information included in an LMRP. LMRPs are being phased out in 2005 and will eventually be totally replaced by LCDs.

Coverage determinations only specifically apply to the Medicare program. Non-federal payers may or may not adhere to coverage decision guidelines. Many non-federal payers establish coverage policies for various procedures and include these as coverage guidelines or clinical policy bulletins. Check with each specific payer as to the location and nature of these policy documents.

The medical device industry is very interested in this area. Obtaining a favorable coverage determination (national and/or local) often spells success or failure for a manufacturer. Coverage for ocular photodynamic therapy with verteporfin is a case in point.

Often, a manufacturer does not want CMS to generate a national coverage determination involving its device. In these cases, the manufacturer is concerned that the sweeping guidelines of an NCD would limit the uses of its product. The manufacturer's strategy may be to pursue favorable local coverage determinations with the hope that an NCD which could thwart the LCDs will not appear.

Invest the time or other necessary resources to bring yourself up to speed on coverage policies. You will find that your charts hold up better in case of an audit, and that your bottom line improves.

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