# Secrets of Highly Successful Refractive Cataract Surgery Practices

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#### **Financial Disclosure**

Kevin J. Corcoran is President of Corcoran Consulting Group and founder of Corcoran Compliance Connection 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
- <u>Refractive Cataract Surgery</u>
- Copes with cataract alone 
   Also, addresses:
  - Astigmatism
  - Presbyopia

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

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#### Covered vs. Non-covered

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

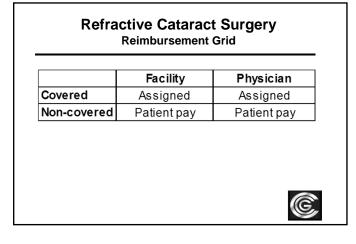
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#### Refractive Cataract Surgery Reimbursement Grid

	Facility	Physician
Covered	Cataract surgery	Cataract surgery
Non-covered	Deluxe IOL, LRI	Refractive Care

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





#### **Noncovered Preoperative Testing**

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



#### **Reason for Noncoverage**

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



- ICD-9 limitations
- Screening
- Screening
- ICD-9 limitations
- Statutory exclusion
- ICD-9 limitations



#### **Coding and Claim Submission**

#### • 92015-GY

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



#### Logic of Professional Fee

- 1. List of tasks appropriate for the patient's needs
- 2. Frequency of task(s) based on protocol, experience
- 3. Assign usual and customary charge
- 4. Calculate weighted average for each task
- 5. Sum for global fee



#### Package of Noncovered Tests

Refraction OU Corneal topography OU Wavefront aberrometry OU SCODI-A, OU SCODI-P, OU CL Trial, OU Pachymetry, OU

For illustration purposes only



Package of Noncovered Tests				
	Charge			
Refraction OU	\$40			
Corneal topography OU	\$80			
Wavefront aberrometry OU	\$100			
SCODI-A, OU	\$90			
SCODI-P, OU	\$90			
CL Trial, OU	\$85			
Pachymetry, OU	\$30			
For illustration purposes only		Ć		

#### Charges for Non-covered Services Need To Be Defensible

"...(for non-covered services) the physician's charge to the patient is not limited to the Medicare physician fee schedule. Nevertheless, the physician must be able to justify the charge to the patient. If the patient is charged for a series of diagnostic tests, the charge for those tests must be defensible. One way to assess the propriety of the charge is whether they are consistent with what the physician would otherwise charge a self-pay patient for the same services."

Source: Arnold & Porter Legal Opinion

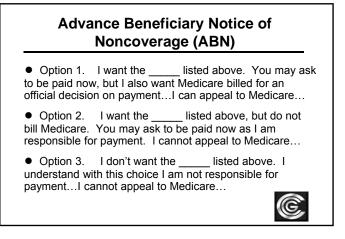


Package of Noncovered Tests					
	Charge	Frequency			
Refraction OU	\$40	200%			
Corneal topography OU	\$80	100%			
Wavefront aberrometry OU	\$100	200%			
SCODI-A, OU	\$90	100%			
SCODI-P, OU	\$90	100%			
CL Trial, OU	\$85	10%			
Pachymetry, OU	\$30	50%			
For illustration purposes only			Ć		

#### Package of Noncovered Tests

	Charge	Frequency	Wtd Charge
Refraction OU	\$40	200%	\$80
Corneal topography OU	\$80	100%	\$80
Wavefront aberrometry OU	\$100	200%	\$200
SCODI-A, OU	\$90	100%	\$90
SCODI-P, OU	\$90	100%	\$90
CL Trial, OU	\$85	10%	\$9
Pachymetry, OU	\$30	50%	\$15
		Total	\$564
		Total	\$5
For illustration purposes only			Ē

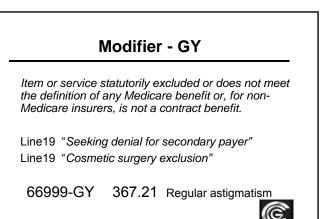
Noncovered Preoper	ative Testing
Prior to first surgery, OU	\$564
<ul> <li>Prior to second surgery</li> </ul>	\$ 0
Alternately	\$282 per eye
For illustration purposes only	C



#### 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'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

#### **Approach To Cataract Patients**

- · Ask cataract patients if they want choices
- · Obtain written consent for preoperative testing
- · Assess test results
- · Offer reasonable refractive cataract surgery options

#### **Patient Choices**

- Conventional surgery, aspheric IOL
- Monovision
- Surgical correction of corneal astigmatism (SCOCA)

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- Astigmatism-correcting IOL
- Presbyopia-correcting IOL
- P-C IOL + SCOCA

#### **Patient Choices**

- Aspheric IOL
- Monovision
- SCOCA, LRI, PRK, etc.

• P-C IOL + SCOCA

- Astigmatism-correcting IOL
- Moderate \$\$ + Toric IOL Presbyopia-correcting IOL • Moderate \$\$ + P-C IOL

Moderate \$\$

Patient pay \$0, NTIOL

Small \$ for noncovered tests

• 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	C

	6.16 Ca			367.4 Presbyopia				
2. 36	57.2 As	24.c	1 24.d		24.e	24.f	24.g	24.1
MM/DD/YYYY	24.0	24.0	66984 RT	Cataract extraction with IOL	1	\$\$\$\$\$	24.y	24.K
MM/DD/YYYY			A9270 GY	Extended care package	2, 3	\$\$\$\$\$	1	

21 1.36	6.16 Cat	aract	:	3. 367.4 Presbyopia				
2. 36	7.2 Ast	igmatism	1					
24.a	24.b	24.c	24.d		24.e	24.f	24.g	24.k
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MM/DD/YYYY			V2788 GY	Presbyopia-correcting IOL	3	\$\$\$\$\$	1	

FS Laser	Guidance
or his or her secondary	ance bill" a Medicare patient insurer for any additional components of cataract
The patient must be info the additional out-of poor	ormed about, and consent to cket-costs in advance.
<ul> <li>A refractive lens exchar necessary and therefore</li> </ul>	5
Source: ASCRS/AAO Guidance	Ć

#### 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.

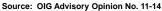


## Hint: ASC Buys IOLs

- Best practices entail ASC purchases IOLs from manufacturer
- Avoid giving the appearance of payment for referral between ASC and surgeon



- 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



#### **Co-management Deluxe IOLs** Do Do not Assign roles and responsibilities Extrapolate Medicare's 80/20 rule to determine value of · Reduce surgeon's refractive fee noncovered services Collect separate payment for · Comingle funds noncovered refractive services performed Factor in the cost of IOL

- Obtain two financial waivers for noncovered services
- · Fail to provide patient with clear description of comanagement arrangement



#### Summary

- Do's
- · Pre-testing Clearly explain choices
- Don'ts · Use one-size-fits-all
- Patient pay for cat sx
- Document selection
- Collect \$ before surgery
- · Comingle funds Separate MD and ASC • Co-manage all cases
- Patient pay for SCOCA MD purchase IOL

Disguise fees

#### More help...

For additional assistance or confidential consultation, please contact us at:

> (800) 399-6565 or www.CorcoranCCG.com



# APPENDIX

#### Print your name, address and telephone number. Logo is optional.

Patient Name:

Identification Number:

# Advance Beneficiary Notice of Noncoverage (ABN)

**NOTE:** If Medicare doesn't pay for the items or services below, you may have to pay.

Medicare does not pay for everything, even some care that you or your health care provider have good reason to think you need. We expect Medicare may not pay for the items or services below.

Items or Services	Reason Medicare May Not Pay:	Estimated Cost:
<ul> <li>Prophylactic screening tests</li> <li>Refractive tests</li> </ul>	Medicare statutory exclusion, coverage policy limitation, or other restriction.	\$
Surgical correction of corneal astigmatism	See attachment for details.	
Additional postoperative care		
See attachment for details.		

## WHAT YOU NEED TO DO NOW:

- Read this notice, so you can make an informed decision about your care.
- Ask us any questions you may have after you finish reading.
- Choose an option below about whether to receive the \_\_\_\_\_\_ listed above.
   Note: If you choose Option 1 or 2, we may help you to use any other insurance that you might have, but Medicare cannot require us to do this.

# **OPTIONS:** Check only one box. We cannot choose a box for you.

[] **OPTION 1.** I want the items or services listed above. You may ask to be paid now, but I also want Medicare billed for an official decision on payment, which is sent to me on a Medicare Summary Notice (MSN). I understand that if Medicare doesn't pay, I am responsible for payment, but I can appeal to Medicare by following the directions on the MSN. If Medicare does pay, you will refund any payments I made to you, less co-pays or deductibles.

[] **OPTION 2.** I want the items or services listed above, but do not bill Medicare. You may ask to be paid now as I am responsible for payment, and I cannot appeal if Medicare is not billed.

[] **OPTION 3.** I don't want the items or services listed above. I understand with this choice I am not responsible for payment, and I cannot appeal to see if Medicare would pay. Additional Information:

This notice gives our opinion, not an official Medicare decision. If you have other questions on this notice or Medicare billing, call **1-800-MEDICARE** (1-800-633-4227 / **TTY:** 1-877-486-2048).

Signing below means that you have received and understand this notice. You also receive a copy.

Signature:	Date:
According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collec	tion of information unless it displays a valid OMB control

number. The valid OMB control number for this information collection is 0938-0566. The time required to complete this information collection is estimated to average 7 minutes per response, including time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate or suggestions for improving this form, please write to: CMS, 7500 Security boulevard, Attn: PRA Reports Clearance Officer, Baltimore, Maryland 21244-1850. Patient Name:

**Identification Number:** 

# Attachment to Advance Beneficiary Notice of Noncoverage (ABN)

Items or Services	Reason Medicare May Not Pay:	Estimated Cost:
□ Ancillary diagnostic tests of both eyes for refractive errors including low-order and higher- order optical aberrations ( <i>i.e.</i> , myopia, hyperopia, astigmatism, defocus, coma, trefoil, etc.) using: refractometry, wavefront aberrometry, and corneal topography. (CPT 92015, 92025)	The Medicare Benefit Policy Manual Chapter 16 §90 states: " eye refractions by whatever practitioner and for whatever purpose performed are not covered Expenses for all refractive procedures, whether performed by an ophthalmologist (or any other physician) or an optometrist and without regard to the reason for performance of the refraction, are excluded from coverage."	\$
<ul> <li>Prophylactic screening of both eyes for potential disorders or diseases using one or more tests such as: SCODI-A, SCODI- P, or pachymetry. (CPT 92132, 92133, 92134, 76514)</li> </ul>	The Medicare law, Social Security Act §1862(a)(1)(A), does not cover any service that is not required by medical necessity "for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member."	\$
□ Cosmetic refractive surgery and enhancements to correct regular corneal astigmatism and ameliorate residual refractive errors. (CPT 66999)	National Coverage Determination §80.7 specifies that "keratoplasty for the purpose of refractive error compensation is considered a substitute or alternative to eyeglasses or contact lenses, which are specifically excluded keratoplasty to treat refractive defects are not covered."	\$
☐ Additional postoperative care from day 91-365 following refractive cataract surgery, for related conditions.		

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  - insurance that you might have, but Medicare cannot require us to do this.

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Form CMS-R-131 (03/11)

Form Approved OMB No. 0938-0566

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Items or Services	Reason Medicare May Not Pay:	Estimated Cost:
<ul> <li>The intraocular lens (IOL) upgrade</li> <li>Laser for refractive surgery</li> <li>Intraoperative wavefront aberrometer</li> </ul>	Medicare statutory exclusion, coverage policy limitation, or other restriction. See attachment for details.	\$
See attachment for details.		

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Items or Services	Reason Medicare May Not Pay:	Estimated Cost:
☐ The intraocular lens (IOL) upgrade from a conventional lens to a presbyopia-correcting or astigmatism-correcting lens	Medicare has established specific policies* concerning presbyopia-correction and astigmatism- correction that declare these added items and services to be not covered and the financial responsibility of the beneficiary. * CMS Ruling No 05-01 (May 3, 2005), <i>and</i> Transmittal 636 (August 5, 2005) <i>and</i> CMS Ruling No 1536-R (January 22, 2007)	\$
The use of a femtosecond laser in refractive cataract surgery for making arcuate corneal incisions	The Medicare law, Social Security Act §1862(a)(1)(A), does not cover any service that is not required by medical necessity "for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member."	\$
☐ The use of an intraoperative wavefront aberrometer, such as ORA, in the operating room at the time of refractive cataract surgery	National Coverage Determination §80.7 specifies that "keratoplasty for the purpose of refractive error compensation is considered a substitute or alternative to eyeglasses or contact lenses, which are specifically excluded keratoplasty to treat refractive defects are not covered."	\$

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