# Secrets of Highly Successful Refractive Cataract Surgery Practices

**Kevin J. Corcoran, COE, CPC, CPMA, FNAO**
**President, Corcoran Consulting Group**
**Founder, Corcoran Compliance Connection**

## 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
  - Copes with cataract alone
- Refractive Cataract Surgery
  - Also, addresses:
    - Astigmatism
    - Presbyopia

## Covered by Insurance?

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

## Covered vs. Non-covered

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

## 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

## Refractive Cataract Surgery
**Reimbursement Grid**

| | Facility | Physician |
|---|---|---|
| **Covered** | Assigned | Assigned |
| **Non-covered** | Patient pay | Patient pay |

## Noncovered Preoperative Testing

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

## Reason for Noncoverage

| | |
|---|---|
| • Refraction | National policy |
| • Corneal topography | ICD-9 limitations |
| • SCODI-A | Screening |
| • SCODI-P | Screening |
| • Wavefront aberrometry | ICD-9 limitations |
| • Contact lens trial | Statutory exclusion |
| • Pachymetry | ICD-9 limitations |

## Coding and Claim Submission

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

## 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

## 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** |

For illustration purposes only

## Noncovered Preoperative Testing

- Prior to first surgery, OU $564
- Prior to second surgery $ 0

- Alternately $282 per eye

**For illustration purposes only**

## Advance Beneficiary Notice of Noncoverage (ABN)

- Option 1. I want the _____ listed above. You may ask to be paid now, but I also want Medicare billed for an official decision on payment…I can appeal to Medicare…
- Option 2. I want the _____ listed above, but do not bill Medicare. You may ask to be paid now as I am responsible for payment. I cannot appeal to Medicare…
- Option 3. I don't want the _____ listed above. I understand with this choice I am not responsible for payment…I cannot appeal to Medicare…

## 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

## Modifier - GY

*Item or service statutorily excluded or does not meet the definition of any Medicare benefit or, for non-Medicare insurers, is not a contract benefit.*

Line19 "*Seeking denial for secondary payer"*
Line19 "*Cosmetic surgery exclusion"*

66999-GY 367.21 Regular astigmatism

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

## Patient Choices

- Aspheric IOL
- Monovision
- SCOCA, LRI, PRK, etc.
- Astigmatism-correcting IOL
- Presbyopia-correcting IOL
- P-C IOL + SCOCA

- Patient pay $0, NTIOL
- Small $ for noncovered tests
- Moderate $$
- Moderate $$ + Toric IOL
- Moderate $$ + P-C IOL
- Highest $$$$ + 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

## Surgeon's Claim

| 21 | 1. 366.16 Cataract<br>2. 367.2 Astigmatism | | 3. 367.4 Presbyopia | | | | | |
|---|---|---|---|---|---|---|---|---|
| 24.a | 24.b | 24.c | 24.d | | 24.e | 24.f | 24.g | 24.k |
| MM/DD/YYYY | | | 66984 RT | Cataract extraction with IOL | 1 | $$$$$ | 1 | |
| MM/DD/YYYY | | | A9270 GY | Extended care package | 2, 3 | $$$$$ | 1 | |

## Facility's Claim

| 21 | 1. 366.16 Cataract<br>2. 367.2 Astigmatism | | 3. 367.4 Presbyopia | | | | | |
|---|---|---|---|---|---|---|---|---|
| 24.a | 24.b | 24.c | 24.d | | 24.e | 24.f | 24.g | 24.k |
| MM/DD/YYYY | | | 66984 RT | Cataract extraction with IOL | 1 | $$$$$ | 1 | |
| MM/DD/YYYY | | | 66999 GY | Astigmatic correction | 2 | $$$$$ | 2 | |
| MM/DD/YYYY | | | V2788 GY | Presbyopia-correcting IOL | 3 | $$$$$ | 1 | |

## FS Laser Guidance

- January 2012 ASCRS/AAO joint guidance
- Providers may not "balance bill" a Medicare patient or his or her secondary insurer for any additional fees to perform covered components of cataract surgery with an FS laser.
- The patient must be informed about, and consent to, the additional out-of pocket-costs in advance.
- A refractive lens exchange is not medically necessary and therefore is not covered

**Source: ASCRS/AAO Guidance**

## 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 Advisory Opinion: Co-management

- OIG publishes opinion on co-management involving non-covered services associated with premium IOLs
- Tightly worded favorable opinion

**Source: OIG Advisory Opinion No. 11-14**

## 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 noncovered services |
| • Reduce surgeon's refractive fee | • Comingle funds |
| • Collect separate payment for 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 co-management arrangement |

## Summary

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

## 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: |
|---|---|---|
| ☐ Prophylactic screening tests<br>☐ Refractive tests<br>☐ Surgical correction of corneal astigmatism<br>☐ Additional postoperative care<br>See attachment for details. | Medicare statutory exclusion, coverage policy limitation, or other restriction.<br>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: |
|---|---|
| | |

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**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.e.,* 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.*" | **$**_____ |
| ☐ Prophylactic screening of both eyes for potential disorders or diseases using one or more tests such as: SCODI-A, SCODI-P, or pachymetry. (CPT 92132, 92133, 92134, 76514) | The Medicare law, Social Security Act §1862(a)(1)(A), does not cover any service that is not required by medical necessity *"…for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member."* | **$**_____ |
| ☐ 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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| **Signature:** | **Date:** |
|---|---|
| | |

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| Items or Services | Reason Medicare May Not Pay: | Estimated Cost: |
|---|---|---|
| ☐ Prophylactic screening tests<br><br>☐ Refractive tests | Medicare statutory exclusion, coverage policy limitation, or other restriction.<br><br>See attachment for details. | $_____ |

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- Choose an option below about whether to receive the _____ listed above.

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| Items or Services | Reason Medicare May Not Pay: | Estimated Cost: |
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| ☐ Ancillary diagnostic tests of both eyes for refractive errors including low-order and higher-order optical aberrations (*i.e.,* 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.*" | **$**_____ |
| ☐ Prophylactic screening of both eyes for potential disorders or diseases using one or more tests such as: SCODI-A, SCODI-P, or pachymetry. (CPT 92132, 92133, 92134, 76514) | The Medicare law, Social Security Act §1862(a)(1)(A), does not cover any service that is not required by medical necessity *"…for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member."* | **$**_____ |

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| | |

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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: |
|---|---|---|
| ☐ The intraocular lens (IOL) upgrade<br>☐ Laser for refractive surgery<br>☐ Intraoperative wavefront aberrometer<br><br>See attachment for details. | Medicare statutory exclusion, coverage policy limitation, or other restriction.<br><br>See attachment for details. | **$**_____ |

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| | |

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**Patient Name:** **Identification Number:**

# Attachment to Advance Beneficiary Notice of Noncoverage (ABN)

| 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.<br>* CMS Ruling No 05-01 (May 3, 2005), *and* Transmittal 636 (August 5, 2005) *and* 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."* | **$**_____ |

Signing below means that you have received and understand this attachment to the ABN. You also receive a copy.

| **Signature:** | **Date:** |
|---|---|
| | |