Secrets of Highly Successful Refractive Cataract Surgery Practices

Kevin J. Corcoran, COE, CPC, CPMA, FNAO
President, Corcoran Consulting Group

Financial Disclosure

Kevin J. Corcoran is President of Corcoran Consulting Group 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?

Covered by Insurance?

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

Covered by Insurance?

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

Critical Distinction

- Routine Cataract Surgery
  - Also, addresses:
    - Astigmatism
    - Presbyopia
- Refractive Cataract Surgery

Critical Distinction

- Routine Cataract Surgery
  - Also, addresses:
    - Astigmatism
    - Presbyopia
- Refractive Cataract Surgery
**Covered vs. Non-covered**

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

**Refractive Cataract Surgery Reimbursement Grid**

<table>
<thead>
<tr>
<th>Covered</th>
<th>Facility</th>
<th>Physician</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cataract surgery</td>
<td>Cataract surgery</td>
<td></td>
</tr>
<tr>
<td>Non-covered</td>
<td>Deluxe IOL, LRI</td>
<td>Refractive Care</td>
</tr>
</tbody>
</table>

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

**Refractive Cataract Surgery Reimbursement Grid**

<table>
<thead>
<tr>
<th></th>
<th>Facility</th>
<th>Physician</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered</td>
<td>Assigned</td>
<td>Assigned</td>
</tr>
<tr>
<td>Non-covered</td>
<td>Patient pay</td>
<td>Patient pay</td>
</tr>
</tbody>
</table>

**Noncovered Preoperative Testing**

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

**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

**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

**Medicare Advantage Organizations**

- Do not use an ABN
- Notice of denial of coverage issued by MAO (similar to a preauthorization)
- Pre-service organization determination from the MAO
  - Patient requested
  - Provider requested
  - Check with MAO plans on process

**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

**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

<table>
<thead>
<tr>
<th>Price of deluxe IOL</th>
<th>$ 950.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipping, taxes, restocking</td>
<td>+ $50.00</td>
</tr>
<tr>
<td>Payment for standard IOL*</td>
<td>- $150.00</td>
</tr>
<tr>
<td>Deluxe IOL charge</td>
<td>$ 850.00</td>
</tr>
</tbody>
</table>

* Value of IOL imputed by contract with payer

Surgeon's Claim

<table>
<thead>
<tr>
<th>CM</th>
<th>1. 366.16 Cataract</th>
<th>3. 367.4 Presbyopia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2: 367.2 Astigmatism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24.a</td>
<td>24.b</td>
<td>24.c</td>
</tr>
<tr>
<td>MM/DD/YYYY</td>
<td>66984 RT</td>
<td>Cataract extraction with IOL</td>
</tr>
<tr>
<td>MM/DD/YYYY</td>
<td>92707 GY</td>
<td>Extended care package</td>
</tr>
</tbody>
</table>

Facility's Claim

<table>
<thead>
<tr>
<th>CM</th>
<th>1. 366.16 Cataract</th>
<th>3. 367.4 Presbyopia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2: 367.2 Astigmatism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24.a</td>
<td>24.b</td>
<td>24.c</td>
</tr>
<tr>
<td>MM/DD/YYYY</td>
<td>66984 RT</td>
<td>Cataract extraction with IOL</td>
</tr>
<tr>
<td>MM/DD/YYYY</td>
<td>66995 GY</td>
<td>Astigmatic correction</td>
</tr>
<tr>
<td>MM/DD/YYYY</td>
<td>V2788 GY</td>
<td>Presbyopia-correcting IOL</td>
</tr>
</tbody>
</table>

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**

- 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.

**ASC Buys IOLs**

- Best practices entail ASC purchases IOLs from manufacturer
- Avoid giving the appearance of payment for referral between ASC and surgeon
- 2014, Memorial Hospital, Ohio – substantial fine when "an ophthalmologist purchased IOLs and then resold them to Memorial at inflated prices"

**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**

<table>
<thead>
<tr>
<th><strong>Do</strong></th>
<th><strong>Do not</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assign roles and responsibilities</td>
<td>• Extrapolate Medicare’s 80/20 rule to determine value of noncovered services</td>
</tr>
<tr>
<td>• Reduce surgeon’s refractive fee</td>
<td>• Comingle funds</td>
</tr>
<tr>
<td>• Collect separate payment for noncovered refractive services performed</td>
<td>• Factor in the cost of IOL</td>
</tr>
<tr>
<td>• Obtain two financial waivers for noncovered services</td>
<td>• Fail to provide patient with clear description of co-management arrangement</td>
</tr>
</tbody>
</table>

### Summary

<table>
<thead>
<tr>
<th>Do’s</th>
<th>Don’ts</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pre-testing</td>
<td>• Use one-size-fits-all</td>
</tr>
<tr>
<td>• Clearly explain choices</td>
<td>• Patient pay for cat sx</td>
</tr>
<tr>
<td>• Document selection</td>
<td>• Disguise fees</td>
</tr>
<tr>
<td>• Collect $ before surgery</td>
<td>• Comingle funds</td>
</tr>
<tr>
<td>• Separate MD and ASC</td>
<td>• Co-manage all cases</td>
</tr>
<tr>
<td>• Patient pay for SCOCA</td>
<td>• MD purchase IOL</td>
</tr>
</tbody>
</table>

### Additional Assistance

(800) 399-6565  
Website: www.CorcoranCCG.com  
Mobile application: Corcoran 24/7