

# MEDICAID ANESTHESIA GUIDELINE UPDATES

## New York State Medicaid Update November 2010 Vol. 26, No. 13

### ANESTHESIA CODING CHANGES TO BEGIN 11/18/10

New York Medicaid is pleased to announce the adoption of CPT-4 Anesthesia administration procedure codes. These codes, with a lead "zero", must be reported for anesthesia administration services beginning with dates of service on and after November 18, 2010. New Anesthesia Services Procedure Code and Fee Schedule sections within the Physician Provider Manual are available on the eMedNY Web site at: <http://www.emedny.org/ProviderManuals/Physician/index.html>.

#### Billing Instructions:

- Anesthesiologists must be enrolled with a specialty of 020 on their Enrollment file.
- Anesthesiologists were sent an initial order of the new version of the eMedNY 150003 paper claim form which accommodates billing in minutes. In the 'Days or Units' field, field 241, please indicate maximum minutes total only.
- For electronic claims, Loop 2400 must be completed with either: the MJ (minutes) qualifier and units reported as minutes, or with the UN (units) qualifier and units reported as 15 minute units.
- For ePACES billing, ePACES users **must** use minutes on the Service Count option. This field will validate that the procedure code does have a leading 0 in order for minutes to be selected as an option by the ePACES user. **No base units should be added** by the provider as eMedNY will now add those during claims processing. Units will be left on the dropdown list for billing dates of service prior to 11/18/2010.
- Anesthesia Basic Value will be automatically calculated during processing: **do not add** basic value to maximum minutes total on the claim.
- Modifiers -47 and -AA are no longer payable when billing for dates of service on and after November 18, 2010. They are required for billing dates of service prior to November 18, 2010.

**Please note:** Providers who use a computer program to print information on paper claim forms will need to adjust the printing as the units field 241 has been expanded and the charges fields (24J, 24K and 24L) have been reduced in size.

For billing questions, please call the eMedNY Call Center at (800) 343-9000.

### ANESTHESIA SUPERVISION BILLING AND PAYMENT UPDATE

**Effective January 1, 2011**, New York Medicaid will provide reimbursement to teaching anesthesiologists, when they are involved in concurrent procedures involving residents, Certified Registered Nurse Anesthetists (CRNAs) or a combination of both. The teaching anesthesiologist will be reimbursed a percentage of the regular Medicaid fee schedule rate, based on how many cases are being performed concurrently and whether a medical resident or CRNA is involved in furnishing the services. This change in policy will require the addition of three new modifiers, **GC, QK and AD**, which will determine payment.

**Note:** This change applies to all supervising/teaching anesthesiologists, whether employed by the hospital or a private anesthesia group.

Presently, Medicaid reimburses teaching anesthesiologists when they are involved in a single procedure with a resident (100% of the amount paid for the service, when performed by the physician alone). Reimbursement is not provided for concurrent supervision of more than one resident. Likewise, Medicaid does not recognize CRNAs or reimburse anesthesiologists for supervision of CRNAs.

Medicaid is revising its policy to allow payment at the regular Medicaid fee schedule rate, if the teaching anesthesiologist is involved in the training of a resident in a single anesthesia case, two concurrent anesthesia cases involving residents, or a single case involving a resident that is concurrent to another case paid under the medical direction rules. This change will require the addition of the "GC" modifier (this service has been performed in part by a resident under the direction of a teaching physician). The "GC" modifier will apply to the single resident case or to each of the two concurrent resident cases.

Medicare's "teaching rules" would be applicable in these instances. They require that the teaching anesthesiologist be present during all critical or key portions of the anesthesia service or procedure, and that the teaching anesthesiologist (or another anesthesiologist with whom the teaching anesthesiologist has entered into an arrangement) is immediately available to furnish services during the entire procedure. The documentation in the patients' medical records must indicate the teaching physician's presence during all critical or key portions of the anesthesia procedure(s) and the immediate availability of another teaching anesthesiologist as necessary.

Medicaid policy is also being revised to allow teaching anesthesiologists to bill for medical direction of up to four concurrent procedures/cases involving qualified individuals, all of whom could be resident physicians, CRNAs or a combination of these individuals. This would involve the use of the "QK" modifier (medical direction of two, three or four concurrent anesthesia procedures involving qualified individuals). In such cases, a reduced rate of 50% would be applied (by the eMedNY claims processing system) to the Basic Value Units assigned to the specific anesthesia code (Note: Anesthesia Basic Value will be automatically calculated during processing and added to the maximum minutes reported on the claim.)

#### **EXAMPLES INCLUDE:**

- If the teaching anesthesiologist is involved in two mixed concurrent cases, that is, a single resident case concurrent to another case that does not involve a resident (but that involves a CRNA), reimbursement for the resident case will be paid at 100% (teaching rules - "GC" modifier). The case involving the CRNA ("QK" modifier) will be paid under the medical direction rules at 50% of the base value for that anesthesia service (plus time).
- If the teaching anesthesiologist is involved in two concurrent cases involving CRNAs, the "QK" modifier would be applied. Reimbursement to the teaching anesthesiologist would be at the medical direction rate of 50%.
- If the teaching anesthesiologist is involved in three or four cases involving residents, CRNAs or a combination of these individuals, all cases would be paid at the medical direction ("QK") rate of 50%.
- If the teaching anesthesiologist is involved in more than two cases, ALL involving residents, reimbursement would be 50% of the regular fee schedule rate for ALL cases. The provision to pay teaching anesthesiologists 100% is strictly limited to supervision of a maximum of two resident cases.

Teaching anesthesiologists involved in furnishing more than four procedures concurrently or performing other services while directing concurrent procedures, will be paid at the "medical supervision" rate of three base units and 1 time unit (60 minutes, total) per procedure. Such cases would be appended with the "AD" modifier (medical supervision by a physician: more than four concurrent anesthesia procedures).

A physician, who is concurrently directing the administration of anesthesia to up to four surgical patients, cannot ordinarily be involved in rendering additional services to other patients. However, there may be situations that do not substantially diminish the scope of control exercised by the

anesthesiologist in directing the administration of anesthesia to the surgical patients. Examples include addressing an emergency of short duration in the immediate surgical area or administering an epidural or caudal anesthetic to ease labor pain, or periodic (rather than continuous) monitoring of an obstetrical patient. This does not constitute a separate service for the purpose of determining whether the medical direction criteria are met. It is expected that the medically-directing anesthesiologist is aware of the nature and type of services he or she is medically directing, and is personally responsible for determining whether his supervisory capacity would be diminished if he or she became involved in the performance of a another procedure of short duration for both cases. **Note:** As a reminder, these claims should continue to be billed on the eMedNY 150003 claim form or in the electronic 837P format.

#### THE DEFINITIONS/REQUIREMENTS OF **"TEACHING RULES," "MEDICAL DIRECTION" AND**

**"MEDICAL SUPERVISION"** ARE AS FOLLOWS:

**"Teaching rules"** require that the teaching anesthesiologist be present for all critical or key portions of the case.

**"Medical direction"** requires that the following seven conditions be met. The physician must perform the following activities:

- Perform a pre-anesthesia examination and evaluation;
- Prescribe the anesthesia plan;
- Personally participate in the most demanding procedures of the anesthesia plan, including induction and emergence;
- Ensure that any procedures in the anesthesia plan that he or she does not perform are performed by a qualified anesthetist;
- Monitor the course of anesthesia administration at frequent intervals;
- Remain physically present and available for immediate diagnosis and treatment of emergencies; and
- Provide indicated post-anesthesia care.

**"Medical supervision"** is the term for medical direction of more than four concurrent anesthesia cases. It may also be used to bill for cases that start out as "medically directed," but in which the anesthesiologist becomes involved in other activities and is, therefore, unable to fulfill all seven requirements of medical direction.

Questions? Please call the eMedNY Call Center at (800) 343-9000.