



HB 10-332 Colorado Medical Clean Claims Transparency & Uniformity Task Force

Edit/Payment Rule

Number: Draft Bundled Rule 401 V.02 2/18/14	Statutory reference: C.R.S. 25-37-106
Topic	Bundled
Definition	This edit identifies when certain services and supplies are considered part of the overall care and should not be billed separately.
Associated Current Procedural Terminology (CPT®)¹ and HCPCS modifiers	There are no CPT® or Healthcare Common Procedure Coding System (HCPCS) modifiers that apply.
Rationale	<p>The following rationale was used to formulate the Bundled rule recommendation:</p> <ul style="list-style-type: none"> • The CPT® coding guidelines and conventions and national medical specialty society coding guidelines were reviewed. • The CPT® descriptions were selected. • The Centers for Medicare and Medicaid Services (CMS) pricing policy as identified in the MPFS and the Medicare Claims Processing Manual² were selected. • CPT® codes that were exceptions to the CMS pricing policy were identified and included in the recommendation.
Rule logic	<p>Procedures subject to the bundled rule are listed in the column labeled STATUS CODE of the Medicare Physician Fee Schedule (MPFS).³</p> <p>The bundled rule applies to procedure codes that are listed in the column labeled STATUS CODE of the MPFS with an indicator of P or T.</p> <p>Bundled indicator definitions</p> <p>The following are indicator definitions that are outlined in the MPFS in the column labeled STATUS CODE. This field provides an indicator for services that may be bundled.</p> <p>P = Bundled/excluded codes. There are no RVUs and no payment amounts for these services. No separate payment is made for them under the fee schedule. If the item or service is covered as incident to a physician service and is provided on the same day as a physician service, payment for it is bundled into the payment for the physician service to which it is incident (an example is an elastic bandage furnished by a physician incident to a physician service). If the item or service is covered as other than incident to a physician</p>

¹ Current Procedural Terminology (CPT®), Fourth Edition. 2013. Copyright 2013. All rights reserved.

² Chapter 12 – Physician/Nonphysician Practitioners. *Medicare Claims Processing Manual*, Publication # 100-04.

³ References to the Medicare Physician Fee Schedule (MPFS) made in this document refer to the MPFS Relative Value File. Visit <http://www.cms.gov/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html> to access the MPFS Relative Value file.

	<p>service, it is excluded from the fee schedule (for example, colostomy supplies) and is paid under the other payment provision of the Act.⁴</p> <p>T = Injections. There are RVUS and payment amounts for these services, but they are only paid if there are no other services payable under the physician fee schedule billed on the same date by the same provider. If any other services payable under the physician fee schedule are billed on the same date by the same provider, these services are bundled into the physician services for which payment is made. (NOTE: This is a 2013 change from the previous definition, which states that injection services are bundled into any other services billed on the same date.)</p>
Administrative guidance	<p>Coding and adjudication guidelines</p> <p>Services with a status indicator of P or T may only be considered for payment if it is the only service and is not considered incident to a physician service for the same patient during the same session by the same physician.</p> <p>Procedures identified with an indicator B in the STATUS CODE column of the MPFS were considered during the development of this rule. Medicare describes status B codes as NEVER payable. The MCCTF determined that the purpose of an edit or rule is to prevent incorrect reporting of a service(s) on the same day or over a period of days, and NOT to determine what services are payable. For that reason, MCCTF determined that non-payment of codes with Status Indicator B is not within the MCCTF definition of a rule or edit. Therefore status B codes will not be included in the final edit set.</p>
Specialty Society outreach	<p>American Academy of Orthopaedic Surgeons (AAOS) American Academy of Otolaryngology – Head and Neck Surgery American College of Radiology (ACR) American College of Surgeons (ACS)</p>
Summary DATE	<p>The task force will utilize the indicators listed in the column labeled STATUS CODE of the MPFS with an indicator of P or T⁵ to identify procedure codes subject to this rule. This rule does not apply to procedure codes assigned an indicator of B.</p> <p>February 18, 2014</p>

Context

Colorado enacted the Medical Clean Claims Transparency and Uniformity Act in 2010. The act established a task force of industry and government representatives to develop a standardized set of health care claim edits and payment rules to process medical claims. It requires the task force to submit to the General Assembly and Department of Health Care Policy & Financing a report and recommendations for a uniform, standardized set of payment rules and claim edits to be used by all payers and providers in Colorado.

The existing statute also requires that contracting providers be given information sufficient for them to determine the compensation or payment for health care services provided, including: the manner of payment (e.g., fee-for-service, capitation); the methodology used to calculate any fee schedule; the underlying fee schedule; and the effect of any payment rules and edits on payment or compensation, C.R.S. 25-37-103.

Comments

⁴ This is the Medicare definition and the reference covered services are specific to the MPFS

⁵ Access <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/How-to-MPFS-Booklet-ICN901344.pdf> for more information.

The Task Force is working within the legislative framework of Colorado Revised Statutes Section 25-37-106 which outlines the sources to be used in the development of a standardized set of claims edits and payment rules. These parameters should be taken into consideration when providing comments. (Information on the Task Force and legislation can be found on at www.hb101332taskforce.org.)

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