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# AVOIDING COMMON PROCEDURE CODING PROBLEMS

The key to appropriate insurance reimbursement lies in accurate procedure coding. The CPT codes found in the American Medical Association's *Physicians' Current Procedural Terminology* (CPT) are required by the Health Insurance Portability and Accountability Act (HIPAA) for recording all medical procedures in the United States for insurance claims and medical records. A new CPT manual is published every year. In 2013 there were major changes to the CPT coding for psychiatric encounters. Psychiatrists now use the medical evaluation and management (E/M) codes, used by all physicians, to record the medical services they provide to patients with or without psychotherapy (when psychotherapy is provided as well, there are add-on timed codes to account for the psychotherapy). Previously, although psychiatrists were permitted to use the E/M codes, there were specific codes for medication management by psychiatrists and for psychotherapy that included medical evaluation and management.

Coding mistakes can lead to delayed payment or rejection of submitted claims. Consistent errors, including inappropriate use of high level E/M codes, can trigger audits, demands that payments be refunded, possible charges of fraud and abuse, and removal from managed care networks. The following tips will help to minimize coding mistakes.

## KEEP CURRENT WITH THE CPT

The AMA publishes an updated and revised edition of the *CPT* manual each year. It may not seem \necessary to purchase a new manual every year, but the changes can be significant, as happened in 2013, and it is in your best interest to always have the most current information. Notifications of any changes to the codes used by psychiatrists will be posted on the APA's website.

Many organizations (including the APA) and publications disseminate information about new codes and coding practices. While these are often good sources that can help you manage your practice more effectively, always verify their information with the current *CPT* manual, which is the ultimate authority on procedure coding. You can buy a copy of the standard softbound editon of manual by calling the AMA at (800) 621-8335; the price for 2015 (available in October 2014) when purchasing directly from the AMA is $62.95 for AMA members and $89.95 for nonmembers. An easy to use spiral bound edition is slightly more expensive and electronic versions are also available.

## BECOME FAMILIAR WITH ALL CODES

As a physician, you are entitled to use *all* of the codes in the *CPT* manual that cover your skill set, not just the psychiatry and E/M codes. *CPT* contains an entire section of neurology codes, as well as codes for psychological testing and giving injections. Depending on the nature of your practice, a number of sections of the *CPT* manual may be useful to you.

It is extremely important that you use the codes that most accurately reflect the care you provide rather than using the same one or two codes for all services in an attempt to simplify your billing. It is also vital to understand that medical necessity must drive the services you provide. This is especially important when using the E/M codes.

## E/M CODES

There are specific E/M codes for different levels of medically necessary care provided to new or established patients in different settings—e.g., inpatient, outpatient, nursing homes. The Centers for Medicare and Medicaid Services (CMS) has specific guidelines for the selection of the appropriate E/M code and the documentation required to substantiate that selection, and these same standards are used by most private insurers as well as by Medicare and Medicaid. Extensive information about E/M coding can be found on the APA website at www.psychiatry.org/cptcodingchanges .

## CODES DO NOT ALWAYS EQUAL REIMBURSEMENT

Although physicians are officially entitled to use all of the CPT codes, the fact that a code exists does not guarantee that a payer will reimburse you for it. The primary purpose of the codes is to accurately describe all of the services provided to patients.

There can be a great deal of variability in *how* payers use the codes. Previous to 2013, some payers would only pay psychiatrists when they used the psychiatry codes, even though the E/M codes might have better described the care provided. Some payers, including Medicare, will only pay for services provided with the patient present, so codes that describe the review or preparation of reports will not be reimbursed. Still other payers may specifically exclude or restrict the use of particular procedure codes, such as those for family therapy.

If you are providing a unique service or want to bill with an unusual code, you should contact the payer directly before reporting such a service. You'll want to reach an agreement about: 1.) the payer's willingness to reimburse you for the

service and 2) the payer's preferred method for reporting the service. Taking a proactive approach increases the likelihood that your claim will be processed promptly and correctly. In addition, such an approach gives you the opportunity to establish a positive, collegial working relationship with the payer, which may help you if future problems develop.

## DOCUMENTATION IS VITAL

As mentioned above, documentation supporting the use of the CPT code you have submitted can help you defend your selection if it's challenged by the payer (documentation is also essential for continuity of care). If you are using a psychiatric code (908xx series), your documentation should include at least the following information:

- Date of service
- Length of encounter
- Description of the patient's mental state
- Description of the service provided
- Treatments implemented
- Response to treatment
- Legible signature

Documenting the evaluation and management services (E/M) you provide is more complex, as mentioned earlier. The *CPT* manual has a section of E/M guidelines to assist you in selecting and documenting the proper code and level of service, and we recommend checking out the information on the APA website for more psychiatry specific information (www.psychiatry.org/cptcodingchanges), which includes the CMS E/M Documentation Guidelines as well as a number of other documents that can help you with your coding and documentation.

## BE PROACTIVE

If you experience reimbursement problems despite coding and documenting correctly, there are a number of steps you can take.

- If you file paper clailms, be sure to fill out all forms completely and legibly. Most claims are now scanned, so it's essential that a scanner can process what your form. Stamp or write on any attachments: **PLEASE DO NOT SEPARATE ATTACHMENTS.**
- Call the payer's provider relations department for feedback and information on policies.
- Contact the chair of the Insurance or Managed Care Committee of your local psychiatric society. He or she may be able put you in touch with colleagues with similar problems, assist you in accessing APA resources, sponsor legislation, and/or organize and sponsor legal actions.
- Call the APA's Practice Management HelpLine, (800) 343-4671, to find out how to access the CPT Coding Network that is available to APA members.

**Recommended Reading**

- American Medical Association, *Physicians Current Procedural Terminology* (published yearly, refer to most current)
- Coding information on the APA website at www.psychiatry.org/cptcodingchanges

## APA'S RESOURCES

### APA CPT Coding Network

The American Psychiatric Association (APA) maintains a CPT coding network to answer its members' specific coding questions, and the association is actively involved in making sure that members are correctly reimbursed for the services they provide. Working closely with the APA member experts on the Committee on RBRVS, Codes, and Reimbursements, the APA's Office of Healthcare Systems and Financing (OHSF) has established this CPT coding service. Because CPT questions are very specific and often very complex, a protocol has been established for queries to ensure that there will be no misunderstanding.

APA members with CPT coding questions should:

1. Create an e-mail or memo with their name, APA member number, city, state, phone number, fax number, and e-mail address.
2. State the question or describe the problem thoroughly, but succinctly—a short paragraph is usually all that is necessary.
3. Include any relevant correspondence from Medicare carriers, insurance companies, or third-party payers.
4. Cite any actions that have been taken relating to the problem, i.e., calls made or letters written.
5. Send the question to the attention of Rebecca Yowell by e-mail (hsf@psych.org), fax (703–907–1089), or regular mail (Office of Healthcare Systems and Financing, APA, 1000 Wilson Boulevard, Suite 1825, Arlington, VA 22209).

All questions will be answered as quickly as possible.

## COURSES / WORKSHOPS

A CPT coding CME course and a CPT workshop are generally held each year at the APA's Annual Meeting. Check the APA Annual Meeting program for more information.