Improving Payment for Pulmonary Rehab Services

AACVPR Chartered Affiliates Forum
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Background

• CMS creates HCPCS code G0424 for billing of pulmonary rehab services for COPDers, effective 1/1/2010.
• G0424 is a “bundled” code, including wide range of services
• G0237-38 remain “unbundled” codes
• In 2010 & 2011, CMS had no historical data because G0424 was a new code, and therefore relied, somewhat, on G0237, 38, 39 plus related codes.
Background (Cont’d)

• CMS uses two primary sources of information to establish payment rates under the Hospital Outpatient Prospective Payment System (HOPPS)
  • “Charges” from every claim submitted to Medicare
  • “Costs” determined from annual hospital cost report, filed in accordance with the hospital’s fiscal year.
Background (cont’d)

- Codes G0237 and G0238 are **15 minute codes**
- Code G0424 is a **one hour code**

- In 2012 CMS finally has data from claims and cost reports to more accurately determine payment rate for G0424
Hospitals should be especially careful to thoughtfully establish charges for new codes that use a single code to report multiple services that were previously reported by multiple codes. It is vital in these cases that hospitals carefully establish charges that fully include all of the charges for all of the predecessor services that are reported by the new code. To fail to carefully construct the charge for a new code that reports a combination of services that were previously reported separately, particularly in the first year of the new code, under-represents the cost of providing the service describing by the new code and can have significant adverse impact on future payments under the OPPS for the individual service described by the new code.
Pulmonary Rehab Community Responds

• Pulmonary Rehab Toolkit
  • Identifies the broad range of services integral to comprehensive pulmonary rehab services.
  • Each society encourages its members to review hospital “charges” for pulmonary rehab
    • **REMEMBER:**
      • G0424 IS ONE HOUR CODE
      • GO237 & G0238 ARE 15 MINUTE CODES
  • Failure to adjust charges has significant financial impact on Medicare calculations of payment rates.
2012-2017

• Payment rates for G0424 remain stagnant
• Toolkit apparently not being utilized

G0237 – 39 still in place for pulmonary rehab for non COPDers
Options for Action

• Re-invigorate efforts related to Pulmonary Rehab Toolkit
• Examine Medicare data to verify our premises regarding “charges” and cost
• AACVPR contracts for examination of 2015 HOPPS data (this excludes critical access hospitals and Maryland hospitals)
What We Found - 2015 Claims Data

• 1350 hospitals billed Medicare for G0424

• Wide variance in key characteristics
  • Claims -- 3000 high to 11 low
  • Charges -- $1981 to $44
  • Cost -- $1265 to $4
AACVPR Creates Task Force

- Key players in pulmonary rehab
- Analyze data and make recommendations
- Recognizes need to work with sister societies
Claims Data

• Task Force tries to make best judgements possible
• With wide range of claims, what is “cut off point” to make reasonable decisions?
• 200 claims per year (approx. 4 claims per week)
• 250 claims per year (approx. 5 claims per week)
• ???

• Remember, we want to trim 1350 hospitals to workable number in reasonable, logical way.
Charge Data

- With wide range of charges, what is “cut off point” to make reasonable decisions?
- $1981 charge for G0424 at high end
- $44 charge for G0424 at low end

- Remember, we want to trim 1350 hospitals to workable number in reasonable, logical way.
- Task Force sets threshold at $400.
Cost Data

• With wide range of costs, what is “cut off point” to make reasonable decisions?
• $1265 cost for G0424 at high end
• $4 cost for G0424 at low end

• Remember, we want to trim 1350 hospitals to workable number in reasonable, logical way.
• Task Force sets threshold at $100.
Focus on Claims and Charge, not Cost

- Eliminating programs that are relatively small (low # of claims) makes sense.
- Eliminating programs that are reporting reasonable charges (> $400) makes sense.
- Because “cost” is determined by data submitted once a year, it is reasonable to believe that many institutions would not focus, immediately, on making appropriate adjustments.
Multi Society Considerations

• Editorials (or similar communication) with societal publications
• Selective identification of problematic pulmonary rehab programs
• to identify hospital systems within their respective states to make contacts more efficient.
• Consideration of formal publication of the Pulmonary Rehab Services Toolkit.