

Decision Tree for reporting and negotiating for an unlisted CPT code procedure with an insurance carrier

Obtain prior authorization in writing before performing the procedure.

If an emergency, submit Op Report with supporting info.

Best strategy is to prepare the information below and negotiate a carve-out contract with the carrier for the new procedure.

Insurance Company Negotiations

Find the right person from the carrier. Ask what unlisted procedures they are currently reimbursing.

See my other diagram: Decision Tree for negotiating a carve-out contract, for tips on using leverage.

Consult with your professional association for assistance with the calculations and the specific procedure.

Claim Form Instructions

Private carriers may have specific forms or guidelines.

Enter description of the procedure in Item 19: Local Use field on claim form.

Enter a charge for the the unlisted procedure in Item 24F on the claim form.

Negotiating the carve-out with the insurance carrier

Work with your accountant

Calculate all your direct and indirect costs (use cost-accounting methodology)

If the procedure is performed at a facility you would need to get their input as well for Part-A reimbursement

Relate all costs to the seven (7) elements on the left.

Choose a Comparison Procedure / CPT Code

Each organ system / body section of CPT has an unlisted CPT code. Use the one appropriate for you procedure.

1) Operative Approach

Same/Different ?

2) Anatomical Site

Same/Different ?

3) Technique

Open, endoscopic, cryo, laser, fulguraiton, excision, other ?

4) Resources

More ?

Less ?

5) Time

More ?

Less ?

6) Technical Expertise

More ?

Less ?

7) Exposure, exploration and closure

More ?

Less ?

Difficulty ?

TOTAL RVU's Equal:

(A) Work Expense (Physician time and effort)

(B) Practice Expense (NON-FAC PE) or (FAC PE)

Direct

- 1) Clinical Staff Time
- 2) The Equipment
- 3) Supplies Used During A Procedure

Indirect

- 4) Administrative Staff
- 5) Building Space
- 6) Office Supplies

(C) Malpractice Expense

Cost of Living Adjustments

High Cost of Living?

Add x % More

Low Cost of Living?

Subtract x %

Sell Benefits of New Procedure

Benefits to the patient

Be knowledgeable on relevant research regarding the procedure

Benefits to the insurance company. Lower future costs. Quicker recovery. Less physician therapy.

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