What You Need to Know About Nuclear Medicine Reimbursement

Reimbursement in the Realm of Clinical Operations

Nancy M Swanston
Admin. Director, Diagnostic Imaging Clinical Operations
UT MD Anderson Cancer Center
Target Audience: Pharmacists

ACPE#: 0202-0000-18-076-L04-P

Activity Type: Knowledge-based
Disclosures

NONE

The American Pharmacists Association is accredited by the Accreditation Council for Pharmacy Education as a provider of continuing pharmacy education.
Session Learning Objectives

1. Provide a general overview of the current legislative and regulatory environment with a specific emphasis on reimbursement challenges in nuclear medicine
2. Explain how private payers reimburse nuclear medicine based on the value of imaging, outcomes, evidence and other factors
3. Discuss the importance of a quality assurance program from a reimbursement perspective and how data collection, audits, reconciliations, and trending of the operation can enhance success
4. List steps to consider when implementing processes in clinic
“We are limited not by our abilities but by our vision”

Anonymous
1. What does Medicare’s written notice known as the ABN stand for in the coverage arena?
A. Advance Barrier Notice
B. Alert of Beneficiary Noncoverage
C. Advance Beneficiary Notice
D. Alert Beyond Network
2. Assessment Question

2. Which entity works to publish a book annually with coding terminology detailed that guides our procedures performed each day?
A. American Medical Association
B. American College of Radiology
C. Center for Medicare and Medicaid Services
D. World Health Organization
3. Assessment Question

3. When working up your financial overview, what is the best definition of gross revenue?
A. The income remaining post expenses
B. The total amount of money or income for all services before any deductions for the reporting period.
C. The total number of procedures both inpatient and outpatient that contribute margin
D. Accounting of profits for selling assets that appreciate in value
4. Assessment Question

4. Time Driven Activity Based Costing (TDABC) accounts for all of the following EXCEPT

A. Cost per unit of work
B. Workforce member performing operation
C. Amount of time in minutes to perform step
D. Depreciation of capital equipment
Reimbursement Challenges in Nuclear Medicine

- Insurance approvals can take extensive time and a multi-disciplinary team
- 1st run denials can be common
- Pre-authorization is no guarantee of payment
- No show rates can be impactful as we are not solely responsible for technical and professional component. We have at times a costly supply that cannot be bought in bulk, kept on shelves in stock and expires quickly
- Classified teams can be paid at the top of their grade. If scope is not optimized labor expense can be high.
- Productivity measurements for complex procedures can make leveling the work load difficult across the team
Perceptions of Medical Imaging Overutilization

- Identified as a potential cost containment strategy in healthcare reform efforts
- Clinical decision support / radiology decision support needs
- Expectation to use lesser cost / lower technology options
- Algorithm use
- Appropriate use audits
Standards & Requirements

- Clinical payment and coding policy have guidelines/criteria developed for the various insurance types
- Summary Plans, Health Care Benefits, Benefit Booklets are all source documents for the patient/provider
- A critical success factor is to understand your own practice's payor mix.
Compare & Contrast Data

- Evaluate data in a myriad of ways by procedure mix, disease process, referring physician, etc.
- Be cognizant of differences, gaps, variances, etc.
- Create a rolling trend of your practice (Ex – 13 months, stacked years)
Evaluation of Data

[Graphs showing data trends over time with different categories labeled: Embassy, Indigent, Managed Care, Medicaid/Managed Medicaid, Medicare/Managed Medicaid, Managed Care, Research, Self-pay.]
General Guidelines

- Prior to advanced imaging being utilized there is an expectation of a recent physical examination (60 days). This would detail the rationale behind the utilization of NM/PET.

- The discussion of plan of care does not have to be face-to-face for established patient.

- Imaging should be symptom driven.

- Hi-tech imaging such PET & Nuclear Cardiology should be used after exhausting alternative/ conventional imaging.

- PET is not typically used for surveillance imaging (no action treatment, asymptomatic or stable chronic symptoms).

- Benefit plans will highlight the use of echocardiography instead of MUGA.
The Contribution of Data Errors

- Incorrect diagnosis codes
  - Understand the variation in definitions
    - Primary diagnosis – most serious condition / can be the same as the principal / what is driving the encounter at the time
    - Secondary diagnosis – requires additional evaluation, treatment, studies, care/ monitoring
    - Principal diagnosis – what is the significant condition that drives the condition of the patient
    - Symptom driven management – presenting symptoms that usually drive to the final diagnosis of the encounter
  - Invalid codes
Denials

- Coverage is not allowed by policy or insurance plan
- Procedure or drug is considered investigational/experimental or NOT medically necessary
  - Investigational/experimental classification by a pay group typically has language that references lack of supporting evidence of impact, evidence is not mature or outcomes-based data has not been presented
  - Many times medically necessary discussions can be surrounded by frequency issues and/or surveillance/screening perceptions for hi-tech imaging
  - Medicare patients may require execution of the Advance Beneficiary Notice (ABN)
- Process for referral, pre-authorization, claim submission was flawed
- Registration/provider errors
- Timeline of events
Optimization of Billing

- Get the entire team educated & involved
- Outline risks
- Do random chart reviews on orders
- Develop a system to perform audits
- Keep logs of problematic areas
- Tackle one issue at a time
- Re-evaluate often
Quality Assurance Programs

- Customer service practices can set your operation apart from others.
- What is valued in your operation?
- Can your teams speak to the mission, vision and strategy of the practice?
- Does every member of your team know or participate in a quality improvement effort?
- Do you post your measures and effort?
Quality

- Culture of safety
- Patient-centered care
- Service that builds relationships
- Appropriateness
- Optimization
- Continued improvement
Quality

- Culture of safety
- Patient-centered care
- Service that builds relationships
- Appropriateness
- Optimization
- Continued improvement
### Phrases Commonly Associated with Quality

- Timely access
- Prompt delivery
- Rapid turnaround
- Safe practice
- Responsive care
- Impactful to patient
- Evidence based
- Prevent avoidable harm
- Customer service excellence
- Appropriateness of procedure
- Integrated approach
- Personal and timely communication
- Patient and family centric
- Minimize risks
- Cost Effective
- Value add
Diagnostic Procedure
Example: $^{68}$Ga Dotatate

- Understand payor mix
- Develop continual communication with patients.
- Create back-up plans
- Track failures
- Regroup and redesign
Therapeutic Procedure Example: $^{223}\text{Ra}$
PETMRI

- Many benefit plans have a generalized statement that does NOT support PETMRI imaging due to lack of evidence on improvement of outcome by specific disease state.
Appeals Process

- Initial denials
- Follow-up on accounts
- It is common that carriers do NOT have the same appeals process
- Laborious
- Review provider’s manuals
- Know your situation that you are appealing
- Leverage relationships
- Use peer-reviewed literature
- Don’t just do nothing
Unlisted Procedures

- Example 78999 unlisted procedure, diagnostic nuclear medicine

- Coverage plans at times will send these codes straight to Medical Director Review
  - Clinical notes and documentation in the health record are vital that describe the necessity for the procedure and what it is
Trending: Same Day Add-on Percentage

The amount of add-ons the site processes for patient care in the same day.

Why is this impactful?

- Labor cost
- Supplies
- Additional charges
- Insurance authorization risk
- Denials
- Access points
- Customer service
- Evaporation of stakeholders
Trending: Same Day Add-on Percentage

- Clinical Nuclear Medicine – 4.9%
- PETCT – 2.5%

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DI PET CT</td>
<td>3.0%</td>
<td>0.6%</td>
<td>1.2%</td>
<td>1.7%</td>
<td>0.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>MAIN PET CT</td>
<td>3.0%</td>
<td>2.2%</td>
<td>2.8%</td>
<td>3.0%</td>
<td>2.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>MAYS PET CT</td>
<td>3.0%</td>
<td>2.1%</td>
<td>2.4%</td>
<td>2.8%</td>
<td>2.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Total</td>
<td>3.0%</td>
<td>2.1%</td>
<td>2.4%</td>
<td>2.8%</td>
<td>2.4%</td>
<td></td>
</tr>
</tbody>
</table>
Trending: On-Time Starts
Trending: On-Time Starts
Trending: CPT Mix

Clinical Nuclear Medicine

PETCT
- 78815 – 80%
- 78816 – 20%
Trending: Ordering / Referral Patterns
Basics of a Financial Record

- Total Gross Revenue
- Technical Procedures
- Professional Component
- # of Procedures Completed
- Delineation between outpatient and inpatient
- Deductions from Gross
- Deduction Rate

- Net
- Expenses
- Actual versus Budget
- Reporting Period
- Variance
- Prior Year/Current Year
- Margin
Cost Accounting

- Advise about action plans
- Evaluation of efficiencies
- Accounts for all expenses (labor, supply, depreciation of capital equipment, etc.)
Cost Worksheets

- Labor
  - Who is involved in care?
  - How long does it take them in minutes for effort on that encounter?
  - What is their average salary? Benefits? Per diem? Overtime?
  - Optimization of scope
Cost Worksheets

- Supplies
- Medications
- Service/Maintenance
- Rentals/Leases
Time Driven Activity Based Costing (TDABC)

- Cost per time in minutes to perform a function in the encounter
- How many minutes does it take?
- Who does it?
Time Driven Activity Based Costing (TDABC)
Time Driven Activity Based Costing (TDABC)
1. Assessment Question

1. What does Medicare’s written notice known as the ABN stand for in the coverage arena?
   A. Advance Barrier Notice
   B. Alert of Beneficiary Noncoverage
   C. Advance Beneficiary Notice
   D. Alert Beyond Network
1. Assessment Question

1. What does Medicare’s written notice known as the ABN stand for in the coverage arena?
   A. Advance Barrier Notice
   B. Alert of Beneficiary Noncoverage
   C. **Advance Beneficiary Notice**
   D. Alert Beyond Network
2. Assessment Question

2. Which entity works to publish a book annually with coding terminology detailed that guides our procedures performed each day?
A. American Medical Association
B. American College of Radiology
C. Center for Medicare and Medicaid Services
D. World Health Organization
2. Assessment Question

2. Which entity works to publish a book annually with coding terminology detailed that guides our procedures performed each day?

A. American Medical Association
B. American College of Radiology
C. Center for Medicare and Medicaid Services
D. World Health Organization
3. Assessment Question

3. When working up your financial overview, what is the best definition of gross revenue?
A. The income remaining post expenses
B. The total amount of money or income for all services before any deductions for the reporting period.
C. The total number of procedures both inpatient and outpatient that contribute margin
D. Accounting of profits for selling assets that appreciate in value
3. Assessment Question

3. When working up your financial overview, what is the best definition of gross revenue?
   A. The income remaining post expenses
   B. The total amount of money or income for all services before any deductions for the reporting period.
   C. The total number of procedures both inpatient and outpatient that contribute margin
   D. Accounting of profits for selling assets that appreciate in value
4. Time Driven Activity Based Costing (TDABC) accounts for all of the following EXCEPT:

A. Cost per unit of work
B. Workforce member performing operation
C. Amount of time in minutes to perform step
D. Depreciation of capital equipment
4. Assessment Question

4. Time Driven Activity Based Costing (TDABC) accounts for all of the following EXCEPT

A. Cost per unit of work
B. Workforce member performing operation
C. Amount of time in minutes to perform step
D. Depreciation of capital equipment
The best way to predict the future is to create it!

Pete Druker