Medical Necessity: Can You Please Define That?

Part III

Riva Lee Asbell
Philadelphia, PA

INTRODUCTION

In this final installment on Medical Necessity let's look at specific categories of service.

DIAGNOSTIC TESTS

There are many intertwining issues regarding medical necessity and diagnostic tests.

Unilateral verus Bilateral. In Medicare terminology (defined by the Medical Physician Fee Schedule Data Base - MPFSDB) a test is unilateral when each side is eligible for payment (100 per cent of the allowable is paid for each side) by virtue of medical necessity for the test and correlating diagnosis. This does not necessarily correspond to good medicine. An example: a patient presents with symptoms of flashes and floaters in the right eye. There is only medical necessity for performing extended ophthalmoscopy in the right eye, even though prudence and good medicine would dictate bilateral testing.

Medical Necessity. There must be medical necessity for the test itself. In the absence of appropriate indications, a test, such as routine visual fields on all patients, becomes a screening test and is not eligible for payment. These indications currently are frequently cited in the LMRP's (Local Medical Review Policy)/ LCD's (Local Coverage Determinations).

Diagnosis. Lastly, there must be an appropriate diagnostic reason (and diagnosis) for which a test is ordered. For example, advanced glaucoma is not considered a valid diagnosis for SCODI (Scanning Computerized Diagnostic Imaging) testing by most LMRP's/LCD's.)

THE EYE CODES

The Evaluation and Management codes are national codes and cannot be changed by local carriers; however, many carriers have LMRP's/LCD's for

the eye codes (CPT 92004, 92014, 92002, 92012). Most incorporate the CPT (Current Procedure Terminology) definitions into the policy.

By CPT definition, the comprehensive eye codes require the following four elements: confrontation visual fields; basic sensorimotor evaluation; ophthalmoscopy (dilation requirements vary with each policy); and adnexal and external examination. You must have medical necessity for the examination, the level of the examination, and each component of the examination.

Some providers erroneously believe they can perform a comprehensive examination (CPT 92014) twice a year, regardless of the reason for the encounter. Without medical necessity this can result in a serious audit encounter.

For serious conditions that warrant frequent follow-ups you should use level four E&M (99214 Evaluation and Management Code), if you meet all the other criteria, rather than 92014 (comprehensive eye code). In the absence of new symptoms, what would be the medical necessity for repeating basic sensorimotor examination in a patient being followed for Stevens-Johnson syndrome or endophthalmitis?

SURGICAL PROCEDURES

Cataract and After-cataract Surgery. Medical necessity for both of these procedures currently is determined by Medicare by chart documentation of described problems with ADL (Activities of Daily Living) rather than merely the surgeon's judgment. It is advisable to have patients fill out a brief form that lists their agreement/disagreements with problems in their daily activities. Frequently, this is missing in the chief complaint and causes denials of claims and subsequent audits. There has been a recent surge of audits on this.

The attorneys have been making a major point of having the surgeon ascertain there are ADL problems attributable to the second eye when surgery for that eye is scheduled, especially when the surgery is performed within the global period of the first operation.

Lesions. Be sure to check under dermatology LMRP's/LCD's for those pertaining to lesion removal. Many lesions (ie, seborrheic keratoses) are considered cosmetic and only reimburseable under certain conditions - the absence of which would render the service non-reimburseable due to lack of medical necessity.

Cosmetic Procedures. Blepharoplasty surgery always warrants having the patient sign and ABN (Advanced Beneficiary Notice). Medicare does not preauthorize surgery and, if denied, Medicare will adjudicate in favor of the patient. This is also applicable to other surgeries such as certain refractive procedures and many newer operations. Another important safeguard is having good communications with your patients. They should be told and understand that a service may be denied and will become their financial responsibility.

CONCLUSION

Medical necessity is multi-faceted. It changes from circumstance to circumstance. It pervades all aspects of your practice and can wreak havoc in your billing department. Brief, but diligent study of Medicare's policies certainly will help you avoid unnecessary denials, requests for refunds, patient complaints, and undeserved audits.

EyeWorld July 2004
Reviewed March 2005
Reviewed June 2008
All LMRP's have been converted to LCD's. Most Medicare carriers have been or are in the process of amalgamating into Medicare Administrative Contractors (MACs).