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Payment Group

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Physician Specialists Who Perform Consultation Services Can Expect Administrative Hassles Under the 2010 Physician Fee Schedule Final Rule

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Physicians who treat Medicare Secondary Payer (MSP) patients should be mindful of new changes to billing practices required by the [2010 Physician Fee Schedule \[PDF\]](#). The final rule's elimination of consultation codes, and the resulting conflict between coding rules for Medicare and other payers, means that physicians will have to bill using two different billing codes for Medicare and non-Medicare payers. Physicians who treat MSP patients in a hospital setting will be especially impacted by the change, as a single episode of treatment for an MSP patient now requires the physician to bill multiple payers using two different billing codes.

Consultation codes are used for evaluation and management services that are provided by physicians, based on a request by another physician or appropriate source. The final rule eliminated consultation codes for all but initial telehealth services, starting January 1, 2010. (See "[Physician Fee Schedule Promises Significant Reimbursement Changes in the Coming Year](#)," *Payment Matters*, November 13, 2009.) In place of the consultation codes for hospital patients, Medicare now requires physicians to bill the same services as initial hospital visits. However, the Current Procedural Terminology (CPT) Coding Book states that initial hospital visit codes are to be used "to report the first hospital inpatient encounter with the patient by the admitting physician." In practice, this means that non-Medicare payers will only reimburse one physician per hospitalization utilizing an initial visit code. Non-Medicare payers, which typically follow CPT coding guidance, will therefore not reimburse physicians who bill using the new Medicare coding rules.

CMS has released [guidance \[PDF\]](#) indicating that physicians who treat MSP patients may bill the non-Medicare payers using the consultation codes, but that any request for payment from Medicare must note the appropriate code

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Ober|Kaler's Comments: Physicians and physician groups should review their coding and billing practices to ensure that the transition to the new rules will be as seamless as possible.

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