



Weekly Auditing and Compliance Tip



National Alliance of Medical Auditing Specialists | 877-418-5564 | namas.co | namas@namas.co

TKA's to Outpatient - What We Have Learned with Q1

The release of the 2018 Final Rule for the Outpatient Prospective Payment System (OPPS) in November 2017 has created quite a stir across the orthopedic healthcare community. In what has been deemed a questionable decision, the Centers for Medicare and Medicaid Services (CMS) decided to remove Total Knee Arthroplasty (TKA) from the inpatient-only surgical list beginning January 1, 2018.

[Click Here to Listen to This Week's Audit Tip](#)



Many hospital executives are asking, "How does this affect our bottom line regarding the inpatient orthopedic surgery program?" The problem is that the answer may take some time to decipher. One thing we do know is that facility reimbursement will be affected. The average Medicare payment for inpatient TKA's is \$12,384 whereas the outpatient average for 2018 is \$10,122 and is estimated to result in a \$311M worth of savings for Medicare. But is this the best decision for the patient and *are facilities at risk?*

The most significant question that has derived from the TKA change is how to determine the correct status for patients. Currently, the



As a NAMAS member, you'll receive access to monthly webinars for CEUs (including those hard to find CPMA CEUs!), a subscription to BC Advantage magazine, discounts on products and NAMAS training events, and much, much more!

We offer 4 membership levels - choose the one that best suits your needs!

[Click Here to View NAMAS Membership Levels and Benefits](#)

For added convenience, NAMAS accepts PayPal, PayPal Credit, quarterly and monthly payments of membership dues.

decision to assign the patient to outpatient status is left up to the clinical judgment of the surgeon, which will likely change in the future once more specific, clinical criteria is developed. Other questions such as "what to do if a patient is cleared for outpatient by surgeon consult, but during pre-operative evaluations a significant comorbidity is discovered, can the status then be changed to inpatient?" The answer lies within the documentation, which clearly indicates the medical necessity of the inpatient status. If the patient should be inpatient due to a significant comorbidity then the answer is clear, regardless of when the criteria was discovered. Per a study by The Advisory Board Company, 48% of TKA's are performed on patients who are eligible for outpatient surgery.

In an effort to provide facilities the time to implement these changes and develop a protocol for determining accurate patient status, CMS has mandated that Recovery Audit Contractors will not review TKA procedures for "patient status" for a period of 2 years.

Inpatient TKA's are reported with 2 DRG's, 469, *Major joint replacement or reattachment of lower extremity with a major complication and/or comorbidity* and 470 *Major joint replacement or reattachment of lower extremity without out a major complication and/or comorbidity*. Based on CMS's MEDPAR data for 2016, there were a total of 482,891 combined joint replacements or reattachments of lower extremities. However, it's important to understand that this total also includes partial knee replacements and hip replacements. Upon further review, it was determined that TKA's were approximately 281,000 of the total major joint replacement or reattachment of lower extremity cases.

TKA's with no complications and/or comorbidities made up 57% of the 2016 Medicare total, and TKA's *with* a complication or comorbidity resulted in approximately 25% of the total DRG set. Given that information, the most common question is why not assign all the cases with major complication and comorbidities to inpatient, and move the rest to outpatient? It's not that simple due to the number of patients who have multiple comorbidities which require a multispecialty approach to their care, as demonstrated by the



Our **Medical Auditing Bootcamp** will train you to become a medial auditor. Learn the principles of auditing, compliance regulations, and how to perform the daily duties of an auditor.

Our next online session, scheduled as a **5 week LIVE ONLINE Saturday course**, begins on July 7, 2018!

[Click Here to Learn More & View Our Medical Auditing BootCamp Schedule](#)



Our **2- Day E&M Auditing Bootcamp** is an accelerated auditing training specific to E&M auditing. Learn about audit policies, get clarity on documentation guidelines, medical decision making, medical necessity and more. Plus, during this training program you will have the opportunity **earn our NEW CREDENTIAL - Certified Evaluation and Management Auditor (CEMA)!**

Our 2-Day E&M BootCamps are scheduled as follows:

June 5, 6, 7: Online (1pm - 5pm each day)
June 19 & 20: Denver, CO
July 17 & 18: Minneapolis, MN
July 24 & 25: Portland, ME

[Click Here to Learn More & View Our E&M Auditing BootCamp schedule](#)

approach to their care, as demonstrated by the 2.7 length of stay average for DRG 470 across the country.

To understand the true reimbursement impact, a facility must calculate their specific utilization to determine how many cases could be impacted, given the estimated 18% reduction derived from moving qualified patients from inpatient to outpatient status.

Medicare still has some cleaning up to do on their side. For instance, according to HOPPS Addenda Table B, CPT 01405, *Anesthesia for open or surgical arthroscopic procedures on knee joint; total knee arthroplasty*, is categorized with Status "C" meaning it is an inpatient only procedure. This snafu will likely be corrected with the next round of edits but clearly indicates there are a lot of moving parts to manage with this significant change. Not to mention the fact that shoulder and hip replacements were on last year's proposed rule but did not make it through the cut but will likely be moved to outpatient in the near future.

A summary of what we do know at this point:

- The two-midnight rule applies
- Final decision is left up to the physician/surgeon
- RAC assessments for place of service for TKA will be frozen for two years
- TKA's have *not* been approved for ASC's; only hospital outpatient departments
- A large shift of TKA's to outpatient status would reduce qualifying volumes for bundling programs such as BPSI and CJR

In summary, the best way to defend your facility is to gather data and closely watch the Emergency Department visits and Readmissions for TKA outpatients. Therefore, each facility will need to create a TKA outpatient tracking mechanism to capture those occurrences since the original surgery is performed as an outpatient and won't get captured with the typical readmission process.

Furthermore, ongoing coding audits are critical for both the inpatient (DRG) and outpatient (APC) cases to assure *all* comorbidities and procedures are captured. This is a critical step

of the process which is necessary to identify

You're Invited to Help Us Celebrate Our
10th Conference Anniversary!



Pre-Conference: Sunday, Nov. 11, 2018
Conference: Monday, Nov. 12 - Wednesday,
Nov. 14, 2018
Venue: Wyndham Grand Clearwater
Clearwater Beach, FL

[Click Here to View the
Conference Agenda](#)

**NAMAS Makes it Easy AND Affordable to
Attend Conference! There are Multiple Ways
to Register:**

1. Secure your spot & lock in your registration rate with just a \$50 deposit and make payments toward your balance
2. Request an invoice to be supplied to your employer for payment
3. Receive 90 days no interest financing with PayPal Credit for balances over \$99! Simply add your registration to our shopping cart and select the PayPal Credit option at checkout!

Registration Information
NAMAS Member Registration
(Through May 31, 2018)

Conference Only: \$995
Pre-Conference & Conference: \$1295

Non-Member Registration
(Through May 31, 2018)

Conference Only: \$1195
Pre-Conference & Conference: \$1495

and report all resource consumption regarding TKA's and provide education to clinical and coding staff.

This Week's Audit Tip Written By:



**Shannon Cameron, MBA,
MHIIM, CPC**

Shannon is the Vice President of Revenue Cycle Management for Noremac Reimbursement Solutions, LLC

Can't Make the Entire Event? Day Passes Available!

Register for one day for only \$399!

Hotel Information: NAMAS has negotiated a discounted room rate at the Wyndham Grand Clearwater for conference attendees at the rate of \$189/night plus tax.

Excel in your career and expand your knowledge, attending sessions from the industry's leading experts - all on the beautiful white sand beaches of Florida's Gulf Coast!

Continue to Watch Your Email for Important Conference Information Including CEU Information, VIP Packages, Special conference events and More!



NAMAS is proud to offer the following webinars in May:

Overpayments, Clawbacks, Identified Billing Errors & Voluntary Refunds

(Compliance Webinar Series)

May 15, 2018

2pm EST

Speaker: David Glaser, JD

Hands On: Orthopedic Surgery

(Hands on Webinar Series)

May 22, 2018

2pm EST

Speaker: Pam Vanderbilt

If you are interested in registering for the webinars above, please email us at namas@namas.co.



DoctorsManagement has opportunities for qualified medical coders and auditors!

Auditing position requirements:

- Minimum of 5 years auditing experience with proficiency in E/M services, specifically in the areas of medical decision making and medical necessity. In addition, competency in a variety of surgical specialties.
- Productivity & quality are necessary with an aggressive QA monitoring program in place.
- Strong written and verbal communication skills

to convey report of findings to physicians and



Go to www.namas.com

**FREE
TRIAL
30 DAY**

Sample what a NAMAS membership can offer you with our FREE 1-month LITE trial membership!

During your trial, you'll receive access to weekly webinars for a chance to earn up to 4CEUs, weekly auditing and compliance tips, and even an online sample of BCAdvantage magazine!

Click the image above to get your 1-month free trial membership today!

Weekly Tip Sponsor



Noremac Reimbursement Solutions provides revenue cycle solutions (utilization reviews, reimbursement analysis, fee schedule analysis and EOB analysis) to help organizations run more efficiently. To learn more about Noremac Reimbursement Services, click [here](#).

NAMAS Calendar of Events

Mark Your Calendar!



Click the image above to view our monthly calendar.

Complimentary
Tip of the Week

Our weekly auditing & compliance tip emails are available to anyone who could benefit from this information.

If you know someone who would like to receive these emails, invite them to sign

other qualified healthcare providers.

Those wishing to conduct provider education will be asked to present a review of findings as part of the interview process. PRN, Part-Time and full time opportunities are available. Potential for travel up to 50%.

Coding position requirements:

- Minimum of 5 years coding experience with experience in E/M services in addition to a variety of surgical specialties.
- Productivity & quality are necessary with an aggressive QA monitoring program in place
- Strong verbal communication skill is required to work with other remote coders and management team
- Advancement opportunities available to grow within our firm
- PRN, Part-time and Full time opportunities available

Education/Certification Requirements:

Maintain certification through AAPC or AHIMA and auditors must also maintain CEMA or CPMA certification.

We offer competitive compensation. Proficiency testing is required.

For consideration, submit your detailed resume via email to resume@drsmgmt.com



National Alliance of Medical Auditing Specialists (NAMAS)

a division of DoctorsManagement, LLC
877-418-5564 | namas@namas.co | www.namas.co

Follow NAMAS on Social Media!

these emails, invite them to sign.

Follow WATKINS on Social Media.

Click the image above to be added to our email list!

