Anesthesia Reimbursement Policy Update – October 2020

We've updated the neuraxial labor analgesia reimbursement calculations section in our anesthesia policy to be consistent with industry standards.

Effective January 1, 2021, regardless of the date of service, please follow the guidelines below.

- HAP will reimburse neuraxial labor analgesia (CPT code 01967) based on base unit value plus time units. Service should be reported in total minutes and start and stop times. HAP will calculate one 15-minute unit for each 60 minutes of time reported. HAP will round up after 30 minutes and round down for 29 minutes or less. Modifying units for physical status modifiers and qualifying circumstance codes will not be considered in addition to the base unit value for labor or delivery anesthesia services.

- Obstetric Add-On Codes
  Obstetric anesthesia often involves extensive hours and the transfer of anesthesia to a second physician. Due to these unique circumstances, HAP will consider for reimbursement, add-on CPT codes 01968 and 01969 (c-section anesthesia) when billed with the primary CPT code 01967 (by the same or different individual and qualified physician) for the same member. According to the ASA Crosswalk® time for add-on code 01968 or 01969 is reported separately as a surgical anesthesia service and is not added to the time reported for the labor anesthesia service.

Examples

- Example 1
  209 minutes (3 hours 29 minutes) are reported for labor and delivery services on a single claim line with CPT code 01967. The total time will be calculated as one 15-minute increment per each 60 minutes, rounded down for the additional 29 minutes. 209 / 60 = 3.4 (rounded down to 3-time units).

- Example 2
  390 minutes (6 hours 30 minutes) are reported for labor and delivery services on a single claim line with CPT code 01967. The total time will be calculated as one 15-minute increment per each 60 minutes, rounded up for the additional 30 minutes. 390 / 60 = 6.5 (rounded up to 7-time units).

A copy of the full policy is attached.

Policy Title:	**Anesthesia Reimbursement Policy**
Policy Number:	D.PNM.007
Policy Owner:	Katherine Steffy
Department(s):	Provider Network Management
Effective Date:	January 1, 2021
Last Revision Date:	September 28, 2020

1. POLICY STATEMENT

Important Note About this Reimbursement Policy

Providers and Practitioners are responsible for the submission of accurate claims. This reimbursement policy is intended to ensure that providers are reimbursed based on the code or codes that correctly describe the health care services provided. This Anesthesia Policy addresses reimbursement of procedural or pain management services that are an integral part of anesthesia services as well as anesthesia services that are an integral part of procedural services. Coverage of service is based on the Member's subscriber contract. Reimbursement is based on the provider's contract. Providers who refer to another provider must utilize those that are contracted by HAP. Facilities contracted by HAP must utilize contracted anesthesia providers. HAP may use reasonable discretion in interpreting and applying this policy to health care services provided in a case. This policy does not address all issues related to reimbursement for health care services provided to HAP enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to, legislative mandates, the physician or other provider contracts, the enrollee's benefit coverage documents and/or other reimbursement, referral/authorization policies, medical or drug policies. HAP may modify this policy at any time by publishing a new version of the policy on the Website.

2. STANDARDS

<u>Who Can Bill for Anesthesia Services</u>
HAP shall only reimburse professional anesthesia services when billed by an Anesthesiologist, CRNA, Pediatric Anesthesiologist, Pediatric Critical Care physician, or other qualified pediatric subspecialties identified and approved by HAP. Claims should be submitted using the contracted anesthesia Group Tax ID and Group NPI. HAP will not reimburse chiropractors for anesthesia and/or pain management services.

Modifiers Recognized for Payment or Informational

All anesthesia/CRNA claims must be submitted on a CMS (HCFA) 1500 claim form. Anesthesia/CRNA claims submitted on a UB 92 claim form will be denied. All anesthesia/CRNA ABU claims must include one of the modifiers listed below.

Required Anesthesia Modifiers	**All anesthesia services must be submitted with the required anesthesia modifier in the first modifier field. See Preventive Colonoscopy Services for exception. These modifiers identify whether a procedure was personally performed, medically directed, or medically supervised. HAP will adjust the Allowed Amount by the Modifier Percentage in the table below.**	**Reimbursement Percentage**
AA	Anesthesia services performed personally by an anesthesiologist	100%
QK	Medical direction of two, three, or four concurrent anesthesia procedures involving qualified CRNA providers	50%
QY	Medical direction of one qualified CRNA	50%
QX	CRNA service with medical direction by an anesthesiologist	50%
QZ	CRNA services not supervised by a physician	100%
Physical Status Modifiers	**CPT and ASA guidelines identify six levels of ranking for patient physical status. A Physical Status Modifier must be submitted with each ASA code, in addition to the valid anesthesia modifier. HAP nor CMS allows for additional reimbursement units for these codes.**	**No Additional Reimbursement Considered Informational**
P1	A physical status modifier for a normal heathy patient.	Informational
P2	A physical status modifier for a patient with mild systemic disease.	Informational
P3	A physical status modifier for a patient with severe systemic disease.	Informational
P4	A physical status modifier for a patient with severe systemic disease that is a constant threat to life.	Informational
P5	A physical status modifier for a moribund patient who is not expected to survive without the operation.	Informational
P6	A physical status modifier for a declared brain-dead patient whose organs are being removed foe donor purposes.	Informational
Qualifying Circumstances for Anesthesia	**Anesthesia services may be qualified further by submitting the below codes. These services are considered informational. HAP will not allow additional reimbursement for these codes.**	**No Additional Reimbursement Considered Informational**
99100	Anesthesia for patient of extreme age, younger than 1 year an old than 70	Informational
99116	Anesthesia complicated by utilization of total body hypothermia	Informational
99135	Anesthesia complicated by utilization of controlled hypotension	Informational
99140	Anesthesia complicated by emergency conditions	Informational

Other Modifiers: Other modifiers that are commonly used in anesthesia include: 25, 26, 50, 51 and 59. These modifiers will be used in the adjudication process for pricing claims, if appropriate.

HAP requires providers to bill in accordance with most current billing and coding guidelines. HAP will monitor claims for appropriate billing practices and take necessary action.

Neuraxial Labor Analgesia Reimbursement Calculations
HAP will reimburse neuraxial labor analgesia (CPT code 01967) based on Base Unit Value plus Time Units. Service should be reported in Total Minutes and start and stop times. HAP will calculate one 15-minute unit for each 60 minutes of time reported. HAP will round up after 30 minutes and round down for 29 minutes or less. Modifying Units for physical status modifiers and qualifying circumstance codes will not be considered in addition to the Base Unit Value for labor or delivery anesthesia services.

Obstetric Add-On Codes
Obstetric Anesthesia often involves extensive hours and the transfer of anesthesia to a second physician. Due to these unique circumstances, HAP will consider for reimbursement, add-on CPT codes 01968 and 01969 (c- section anesthesia) when billed with the primary CPT code 01967 (by the same or different individual and qualified physician) for the same member. According to the ASA Crosswalk® time for add-on code 01968 or 01969 is reported separately as a surgical anesthesia service and is not added to the time reported for the labor anesthesia service.

Obstetric Anesthesia: Neuraxial Labor Analgesia Reimbursement Calculations
Example 1:
209 minutes (3 hours 29 minutes) are reported for labor and delivery services on a single claim line with CPT code 01967. The total time will be calculated as one 15-minute increment per each 60 minutes, rounded down for the additional 29 minutes. 209 / 60 = 3.4 (rounded down to 3-time units).

Example 2:
390 minutes (6 hours 30 minutes) are reported for labor and delivery services on a single claim line with CPT code 01967. The total time will be calculated as one 15-minute increment per each 60 minutes, rounded up for the additional 30 minutes. 390 / 60 = 6.5 (rounded up to 7-time units).

Anesthesia Reimbursement Methodology

When an anesthesiologist and CRNA are both present during a procedure and both are billing for reimbursement HAP will split the payment 50/50. In this instance, neither the anesthesiologist nor the CRNA is eligible to be paid 100% of the associated reimbursement.

HAP shall recognize for reimbursement the then current ASA RVG Codes 00100 thru 01999. HAP shall calculate ABU reimbursement by adding the **Base Units** and **Time Units,** then multiplying that product by the contracted ABU per unit **Conversion Factor**. HAP shall no longer reimburse anesthesia services using surgical CPT Procedure Codes, when the CPT Procedure Code description states the procedure was performed without anesthesia, and radiologic services related to another diagnostic or therapeutic procedure. All other Procedure Codes will be reimbursed in accordance with the reimbursement terms and conditions listed in the provider's contract.

Anesthesia Time: Anesthesia time is defined as the continuous presence of the anesthesia provider. It starts when the patient enters the specific anesthetizing location where the surgical procedure occurs and ends when the patient is placed under post-operative supervision. Anesthesia time should be submitted to HAP in total time minutes versus fifteen (15) minute Time Units. HAP will convert the total time billed by the provider into fifteen (15) minute Time Units, rounding up to after 8 minutes.

For example, if a procedure takes 37 minutes, HAP would convert this to 2 Time Units (37 minutes/15-minute units = 2.4-time units rounded, or 2-time units). If a procedure takes 38 minutes, HAP would convert this to 3-time units (38 minutes/15-minute units = 2.53-time units rounded, or 3-time units). Claims submitted from 0 to 7 minutes will result in ZERO Time Units applied.

3. **REGULATORY REQUIREMENTS AND REFERENCES**
4. **DEFINITIONS**
5. **PROCEDURES**

Relevant Standard	Procedure	Procedure Owner

6. **ADDITIONAL INFORMATION / ATTACHMENTS**
7. **REVIEW PERIOD**
8. **SIGNATURE:** Katherine Steffy
9. **REVIEW AND REVISION HISTORY:**

Date:	Summary of Modifications made:	Revised By:
Sept 2019	*Updated policy*	*PNM Team*
July 2020	*Updated policy to include Performing and Monitoring Neuraxial Labor Analgesic*	*M. Good*
Sept 2020	*Updated policy to clarify time units for OB*	*M. Good*