Billing Guidelines vs Conditions of Participation

The purpose of this article is to highlight the differences between the Anesthesia Services Conditions of Participation and the applicability of medical direction modifiers (QX, QK, QY) versus a non-medically directed CRNA case (modifier QZ). It is important to remember that the concepts of "medical direction" and of "medical supervision" where the AD modifier is concerned are related to the billing requirements of anesthesia services. The Conditions of Participation apply to the organization and provision of services in an anesthesia department.

Medically Directed

Modifier	Description
QX	CRNA/AA (Anesthesiologist's Assistant) service with medical direction by a physician
QK	Medical direction by a physician of two, three, or four concurrent anesthesia procedures
QY	Medical direction of one CRNA/AA (Anesthesiologist's Assistant) by an anesthesiologist

Non Medically Directed

Modifier	Description
QZ	CRNA/AA (Anesthesiologist's Assistant) service without medical direction by a physician

Modifier	Description
AD	Medically supervised by a physician, more than four concurrent anesthesia procedures

Interpretive Guidelines and the Opt-Out Provision

In December 2009, Centers for Medicare & Medicaid (CMS) provided the updated interpretive guidelines that are now included in the CMS State Operations Manual (CMS Pub. 100-07) dictating compliance with health and safety standards established in the Code of Federal Regulations (CFR Section 482.52 - Condition of participation: Anesthesia services). These guidelines specify the elements of the operation of the anesthesia department in a hospital setting. From the Interpretive Guidelines:[1]

> *In the case of Certified Registered Nurse Anesthetists (CRNAs), unless the CRNA is practicing in an opt-out state under §482.52(c), he/she must be supervised when administering anesthesia. Since local anesthetics as well as minimal and moderate sedation are not considered anesthesia per se, they are not subject to the CRNA supervision requirements. On the other hand, regional, monitored, and general anesthesia all are considered "anesthesia" and are subject to the administration and supervision requirements of §482.52(a), unless the hospital is located in an opt-out state.*

The supervision requirements are not the same as the concept of "Medical Supervision" defining the physician requirements to append the AD modifier to the anesthesia service code. Instead, the requirements delineate the "operational" supervision requirements of a CRNA administering anesthesia in a hospital setting:

> ***Administration by a Certified Registered Nurse Anesthetist***
> *Unless the hospital is located in a state that has chosen to opt out of the CRNA supervision requirements, a CRNA administering general, regional and monitored anesthesia must be supervised either by the operating practitioner who is performing the procedure, or by an anesthesiologist who is immediately available.*
>
> *Hospitals should conform to generally accepted standards of anesthesia care when establishing policies for supervision by the operating practitioner. An anesthesiologist is considered "immediately available" when needed by a CRNA under the anesthesiologist's supervision only if he/she is physically located within the same area as the CRNA, e.g., in the same operative suite, or in the same labor and delivery unit, or in the same procedure room, and not otherwise occupied in a way that prevents him/her from immediately conducting hands-on intervention, if needed.*
>
> *If the hospital is located in a state where the governor has submitted a letter to CMS attesting that he or she has consulted with State Boards of Medicine and Nursing about issues related to access to and the quality of anesthesia services in the state and has concluded that it is in the best interests of the state's citizens to opt-out of the current physician supervision requirement, and that the opt-out is consistent with state law, then a hospital may permit a CRNA to administer anesthesia without operating practitioner or anesthesiologist supervision.*

To date, there are 17 states which have adopted the Opt-Out provision. A list of States that have opted out of the CRNA supervision requirement may be found at by scrolling to the bottom on the link.
http://www.cms.gov/Regulations-and-Guidance/Legislation/CFCsAndCoPs/Spotlight.html

Medical Direction – A Billing Perspective
Medical direction is a protocol allowing payment of a portion of the reimbursement allowed for an anesthesia case to a physician who personally demonstrates participation in a particular anesthesia case and who personally documents such participation. Remember, that the Conditions of Participation state that a CRNA is allowed to administer anesthesia under the operational supervision conditions as previously mentioned.

Because the CRNA is licensed and has authority to deliver anesthesia care start to finish, the medically directing anesthesiologist is only due any financial benefit in any given case if he or she meets the billing requirements of medical direction .

Medicare Claims Processing Manual, Chapter 12 (Pub. 100-04) [2]
Section 140

140 - Qualified Nonphysician Anesthetist Services
(Rev. 2716, Issued: 05-30-13, Effective: 01-01-13, Implementation: 02-12-13)
Section 9320 of OBRA 1986 provides for payment under a fee schedule to certified registered nurse anesthetists (CRNAs) and anesthesia assistants (AAs). CRNAs and AAs may bill Medicare directly for their services or have payment made to an employer or an entity under which they have a contract. This could be a hospital, physician or ASC. This provision is effective for services rendered on or after Jan. 1, 1989.

Section 50

C. Payment at the Medically Directed Rate
The Part B Contractor determines payment for the physician's medical direction service furnished on or after Jan. 1, 1998, on the basis of 50 percent of the allowance for the service performed by the physician alone. Medical direction occurs if the physician medically directs qualified individuals in two, three, or four concurrent cases and the physician performs the following activities.

- Performs a pre-anesthetic examination and evaluation;
- Prescribes the anesthesia plan;
- Personally participates in the most demanding procedures in the anesthesia plan, including induction and emergence;
- Ensures that any procedures in the anesthesia plan that he or she does not perform are performed by a qualified anesthetist;
- Monitors the course of anesthesia administration at frequent intervals;
- Remains physically present and available for immediate diagnosis and treatment of emergencies; and
- Provides indicated-post-anesthesia care.

For medical direction services furnished on or after Jan. 1, 1999, the physician must participate only in the most demanding procedures of the anesthesia plan, including, if applicable, induction and emergence. Also for medical direction services furnished on or after Jan. 1, 1999, the physician must document in the medical record that he or she performed the pre-anesthetic examination and evaluation. Physicians must also document that they provided indicated post-anesthesia care, were present during some portion of the anesthesia monitoring, and were present during the most demanding procedures, including induction and emergence, where indicated.

Therefore, where these specific requirements are not fulfilled by a physician, no payment will be made to the physician under the medical direction benefit.

Medical Supervision – A Billing Perspective
Where a physician medically directs anesthesia services (expecting payment for personal services), and fails to meet all requirements or exceeds the limit of four concurrent rooms, payment may be made under the Medical Supervision benefit. It is critical that there is an understanding that "Medical Supervision" from a CMS payment perspective applies only to the requirements for reimbursement, and does not equate to the "operational supervision" requirements of the Conditions of Participation.

Medicare Claims Processing Manual, Chapter 12 (Pub. 100-04) [3]
Section 50

D. Payment at Medically Supervised Rate
The Part B Contractor may allow only three base units per procedure when the anesthesiologist is involved in furnishing more than four procedures concurrently or is performing other services while directing the concurrent procedures. An additional time unit may be recognized if the physician can document he or she was present at induction.

Medical Supervision is meant to be a reduction in payment situation where the physician fails to achieve all requirements to

receive the full 50% reimbursement for a particular case.

As we have previously discussed, some payers will allow a service to be billed as non-medically directed by the CRNA (QZ modifier) if a physician fails to meet all of the medical direction requirement while directing 4 concurrent procedures or fewer.

Determining How the Claim Is To Be Submitted

When determining billing methodologies for a particular service, one must first consider the intent of the physician during the case. A CRNA may perform a service, start to finish, without the direct involvement of a physician. If there is no intent on the part of the physician who may be operationally supervising the anesthesia department, then the case may be rightfully billed with a QZ modifier under the CRNA, even in an opt-out state.

However, where a physician intends to medically direct a procedure in conjunction with a CRNA, the physician must document meeting the elements of medical direction in order to bill for reimbursement with either the QK or QY modifier. If the physician intends to medically direct, but fails to meet the requirements, then payer guidelines will dictate whether that service may be billed as non-medically directed (QZ) or as medical supervision (AD).

[1] *Interpretive Guidelines. CMS Manual System Publication 100-07 State Operations Provider Certification. Revised Appendix A - Interpretive Guidelines for Hospitals. http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R37SOMA.pdf*

[2] *Medicare Claims Processing Manual Chapter 12 - Physicians/Nonphysician Practitioners. (Rev. 2914, 03-25-14) http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c12.pdf*

[3] *Medicare Claims Processing Manual Chapter 12 - Physicians/Nonphysician Practitioners. (Rev. 2914, 03-25-14) http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c12.pdf*

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New Medicare Rules Clarify AAs Must Be Directed by an Anesthesiologist and May Not Bill Nonmedically Directed as CRNAs Can

For immediate release
June 5, 2013

For more information
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The Centers for Medicare & Medicaid Services (CMS) has now clarified and confirmed that anesthesiologist assistants (AAs) may not bill Medicare for nonmedically directed (billing code QZ) anesthesia services as CRNAs are educated and authorized to do.

In a **policy transmittal dated May 30, 2013**, the agency clarified the distinctions between CRNAs, who may practice autonomously and bill Medicare for their services, and AAs, whose services are covered by Medicare when they are medically directed by an anesthesiologist. Transmittal 2716 amends Chapter 12 of the Medicare Claims Processing Manual governing Medicare Part B coverage of anesthesia care.

Though Medicare Administrative Contractors (MACs) long held that AAs may not bill Medicare QZ, the Palmetto GBA MAC serving the states of California, Hawaii, Nevada, North Carolina, South Carolina, Virginia and West Virginia published an email April 24 stating, "Palmetto GBA has received guidance that the QZ HCPCS modifier is also to be used for an Anesthesiologist Assistant (AA) service performed without medical direction." Noting that the Palmetto GBA action was inconsistent with Medicare regulations and payment manuals that say an AA is a "person who works under the direction of an anesthesiologist," AANA addressed the issue directly with Palmetto GBA and the Centers for Medicare & Medicaid Services (CMS).

The action taken by CMS represents an important development in anesthesia services coverage, clarifying what is already known: that CRNA and AA educational preparation and services are not the same, and that the Medicare program recognizes them differently. While Medicare recognizes CRNA services provided autonomously and with anesthesiologist medical direction, in contrast the agency only recognizes AA services under anesthesiologist medical direction. Many public and commercial health plans covering CRNA services follow Medicare's lead.

The AANA commends the Medicare agency for having an open ear to AANA's concerns, following and appropriately clarifying the law, and promoting patient access to safe and cost-effective anesthesia care.