

COST, CODING, REIMBURSEMENT



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Basic Legal Issues

- **3 Certifying organizations
(certification NOT required)**
 - **American Registry of Diagnostic Medical Sonography (ARDMS)**
 - **Cardiovascular Credentialing International (CCI)**
 - **American Registry of Radiological Technologists (ARRT)**

Basic Legal Issues

- **PRECEDENT HAS BEEN SET BY OTHER NON-RADIOLOGISTS**
- **OB**
- **VASCULAR LABS**
- **CARDIOLOGY**
- **UROLOGY**
- **NO STARK LAW ISSUES**

Picking a Portable US Machine

- **Image Quality** (frequency/resolution/channels/display)
- **Ease of Use** (depth, focus, saving,)
- **Size/Weight**
- **Additional/Special Features**
 - (DICOM wired or wireless interface, software, hard drive, usb ports, operating system access)
- **Warranty** (1yr or 2yr or 5yr; onsite exchange?)

Initial Cost Of Portable US Machine

- **Actual cost ranges from \$32,000 to \$42,000 (w/transducer)**
- **Software upgrades may be extra**
- **Cart/Stand is an extra cost**
- **Extended warranty is expensive so check on basic warranty**
- **May not have tax if purchased from out of state**

Initial Cost Of Portable US Machines

- Estimate \$35,000 “all
in”

True Cost Of Portable US Machine

After Tax Cost

**A \$35K machine bought in 2011 can be written off
COMPLETELY in 2011 subject to income and deduction
limitations**

Result is a 35% direct tax benefit in 2011 of \$14K

After tax cost of US machine is \$22,750

Please consult with your accountant

Ultrasound Coding

- 76881 - Ultrasound, extremity, nonvascular, real-time with image documentation; complete
- ICD-9: 727.61(cuff tear), 726.1(bursitis)
- (Replaced CPT # 76880 as of Jan 2011)

Ultrasound Coding

- 76882 - Ultrasound, extremity, nonvascular, real-time with image documentation; limited, anatomic specific

Ultrasound Coding

- 76942 - Ultrasonic guidance for needle placement (eg, biopsy, aspiration, injection, localization device), imaging supervision and interpretation
- ICD-9: 727.61, 726.10, 726.11 (Ca^{+2})
- 20610 -...injection major joint or bursa (eg, shoulder, knee joint, subacromial bursa)

Ultrasound Coding

EXAMPLES

- **Diagnostic exam in the office reveals cuff tear**
 - ICD-9: 727.61 CPT: 76881
- **Bilateral diagnostic exams in the office reveal no cuff tears**
 - ICD-9: 727.61 CPT: 76881-50
- **Patient with impingement has US guided injection**
 - ICD-9: 726.10 CPT: 76942, 20610
 - may need -25 modifier on office visit CPT 99213

Ultrasound Coding

EXAMPLES

- **6 week postop exam in the office (within global period)**
- ICD-9: 727.61 CPT: 76881 or 76882
- **Patient with calcium deposit has US guided injection**
- ICD-9: 726.11 CPT: 76942, 20610
 - may need -25 modifier on office visit CPT 99213

Ultrasound Coding

EXAMPLES

- Patient has US exam, no full thickness cuff tear, has bursal injection for impingement syndrome or partial cuff tear
- ICD-9: 726.10 or 727.61
- CPT: 76881, 76942, 20610_(bursa inj.)
- May need -25 modifier on office visit code

Ultrasound Reimbursement

- **Requirements for Reimbursement**
 - **Medically indicated**
 - **Precert NOT required unless for HMO or maybe work comp**
 - **Documented exam (pics and/or video)**
 - **Written report**
 - **OK within 90 day global**

Ultrasound Reimbursement

GROSSMONT ORTHOPAEDIC MEDICAL GROUP

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SHOULDER ULTRASONOGRAPHY REPORT

PATIENT: AGE: DATE: January 31, 2007

CLINICAL INDICATION:

TECHNIQUE: Static and dynamic techniques were used to obtain multiple coronal, axial, and sagittal sonographic images of the shoulders. The scans were performed using a Sonosite Micromaxx laptop unit with a variable frequency (5.0-10.0 MHz) linear transducer.

FINDINGS:

RIGHT SHOULDER

BICEPS: The long head of the biceps tendon is intact within the bicipital groove with no subluxation/dislocation on dynamic images. No effusion in the bicipital sheath identified.

SUBSCAPULARIS: Intact with normal excursion. No tears identified.

INFRASPINATUS/TERES MINOR: Intact with normal excursion. No tears identified.

SUPRASPINATUS: Overall intact with no increased subacromial/subdeltoid fluid. There is normal excursion of the supraspinatus tendon. No evidence of impingement of the greater tuberosity/distal supraspinatus tendon against the lateral edge of the acromion or coracoacromial arch with abduction of the shoulder.

POSTERIOR LABRUM: Intact with no tears identified.

LEFT SHOULDER

BICEPS: The long head of the biceps tendon is intact within the bicipital groove with no subluxation/dislocation on dynamic images. No effusion in the bicipital sheath identified.

SUBSCAPULARIS: Intact with normal excursion. No tears identified.

INFRASPINATUS/TERES MINOR: Intact with normal excursion. No tears identified.

SUPRASPINATUS: Overall intact with no increased subacromial/subdeltoid fluid. There is normal excursion of the supraspinatus tendon. No evidence of impingement of the greater tuberosity/distal supraspinatus tendon against the lateral edge of the acromion or coracoacromial arch with abduction of the shoulder.

POSTERIOR LABRUM: Intact with no tears identified.

IMPRESSION:

- 1) Normal Right Shoulder Ultrasound
- 2) Normal Left Shoulder Ultrasound

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BD/GOMG

Ultrasound Reimbursement

- 76881 - Medicare (L.A.) allows \$136.05
- 76882 - Medicare (L.A.) allows \$ 33.69
- 76942 - Medicare (L.A.) allows \$222.03

- 76880 - Work Comp (CA) allows \$120
- 76942 - Work Comp (CA) allows \$156.25
- “Blended” rate for 76880/1 and 76942 is \$130

Ultrasound Reimbursement

Dr. Sonodoc

- Dr. Sonodoc is a shoulder specialist
- Dr. Sonodoc operates 2 days a week
- Dr. Sonodoc has 2.5 days of clinic a week
- Dr. Sonodoc averages 50-60 patient visits/wk

* Dr. Sonodoc still orders 120 in office MRIs/year

Ultrasound Reimbursement

Dr. Sonodoc's 2010 ultrasound experience

76880 - Diagnostic examination
Billed 200 times in 2010 (16 times/month)

Less than 2 uses per clinic day
(about 10 clinic days per month)

Ultrasound Reimbursement

Dr. Sonodoc's 2010 ultrasound experience

76880 - Diagnostic examination

Billed \$50,000 in 2010 (billed at \$250/exam)

Collected \$25,000 in 2010

Average collection of \$125/exam for 76880 (200 exams)

Ultrasound Reimbursement

Dr. Sonodoc's 2010 ultrasound experience

76942 - Ultrasound guided needle placement

Billed 200 times in 2010 (16 times/month)

Includes subacromial, glenohumeral, knee, etc

**Less than 2 uses per clinic day
(about 10 clinic days per month)**

Ultrasound Reimbursement

Dr. Sonodoc's 2010 ultrasound experience

76942 - Ultrasound guided needle placement

Billed \$80,000 in 2010 (billed at \$400/exam)

Collected \$30,000 in 2010

Average collection of \$150/exam for 76942 (200 exams)

Ultrasound Reimbursement

Dr. Sonodoc's 2010 ultrasound experience

1 year revenue: \$25,000 (76880)
\$30,000 (76942)

TOTAL FOR 1 YEAR = \$55,000

\$4583/month

Ultrasound Reimbursement

Dr. Sonodoc's 2010 ultrasound experience

For Dr. Sonodoc the ultrasound machine was paid for in 6 months. After that, \$4583/month revenue is generated for 2 diagnostic exams per full clinic day and 2 ultrasound guided injections per full clinic day .

If you cut Dr. Sonodoc's volume in half, you will still generate an additional \$27,500 a year

Ultrasound Payment Choices

- Cash - \$35,000
- after tax cost is \$22,750
- 175 uses to pay for machine
 - (at an average reimbursement of \$130 for all uses in all places)

\$130 blended reimbursement rate for 76880/76942

Ultrasound Payment Choices

\$35,000 US Machine

- Financed Purchase Or Capital Lease (no deposit)
- \$0 down, 36 months, 7% APR.
- \$38K Lease amount (8.25% sales tax)
- Monthly Payment \$1173
- 9 uses per month to break even

- Financed Purchase Or Capital Lease (no deposit)
- \$0 down, 60 months, 7% APR
- Monthly Payment \$752
- 6 uses per month to break even

(Assumes \$130 blended reimbursement per use)

THANK YOU