

iNCISIVE MD™

Financial RVU Term Setup Instructions

11 November 2014

Financial RVU Terms

[Task Overview](#)

[Terminology](#)

[Prerequisites to Installation](#)

[Creating a New Financial RVU Term](#)

[Financial RVU Configuration Steps](#)

This document describes how to create a Financial RVU term to track Work RVUs for surgeries coded in INCISIVE MD.

Task Overview

Many surgeons are selling their practices and becoming hospital employees. For these surgeons, some of their compensation is based upon a measurement of their productivity. One method for tracking surgeon productivity is by using Medicare Work RVUs. The Work RVUs are then multiplied by a dollar rate to compute a compensation amount. Because actual payment for procedures can be changed by modifiers and reduced for multiple procedures, many hospitals adjust the Work RVUs in the same way to align payment with productivity. We call these payment adjusted Work RVUs financial RVUs.

To track Financial RVUs you will need to create a Financial RVU term and have the INCISIVE MD server compute the Financial RVUs for each surgery covered by the term. You can then review the Financial RVUs for each surgery by reviewing the surgery's corresponding Financial RVU document. Users can also request from INCISIVE Support a summary report of their clinic's or surgeon's Financial RVUs.

Currently, the application can be configured to have one Financial RVU term for the entire practice. The software cannot be configured to handle different methodologies for each surgeon. If each surgeon is compensated with a difference dollar rate, the Financial RVU Summary report can be used to calculate the surgeon's compensation by multiplying his or her financial RVUs by their individual compensation dollar rate.

Terminology

Financial RVU	Work RVUs adjusted by payment modifiers and multiple procedure reduction to better represent the Work RVU in light of the actual payment for the procedure.
GPCI	Geographical Practice Cost Index (GPCI) is a methodology to adjust RVUs for differences between high and low cost locations; like New York City versus Arkansas.
MPR	Multiple Procedure Reduction (MPR) is a methodology to reduce payment for surgical procedures performed on the same day by the same surgeon to eliminate the duplicative payment for preoperative and postoperative visits included with all major procedures.

RBRVS	A relative value scale based on the labor, malpractice, and expense costs of providing physician services in which procedures are compared to each other in order to determine which procedures require more work, medical decision-making, technology, and intensity.
RVU	A Relative Value Unit (RVU) is a unit of measure for the Medicare RBRVS methodology. The RVUs must be multiplied by a dollar conversion factor to become payment amounts.

Prerequisites to Setup

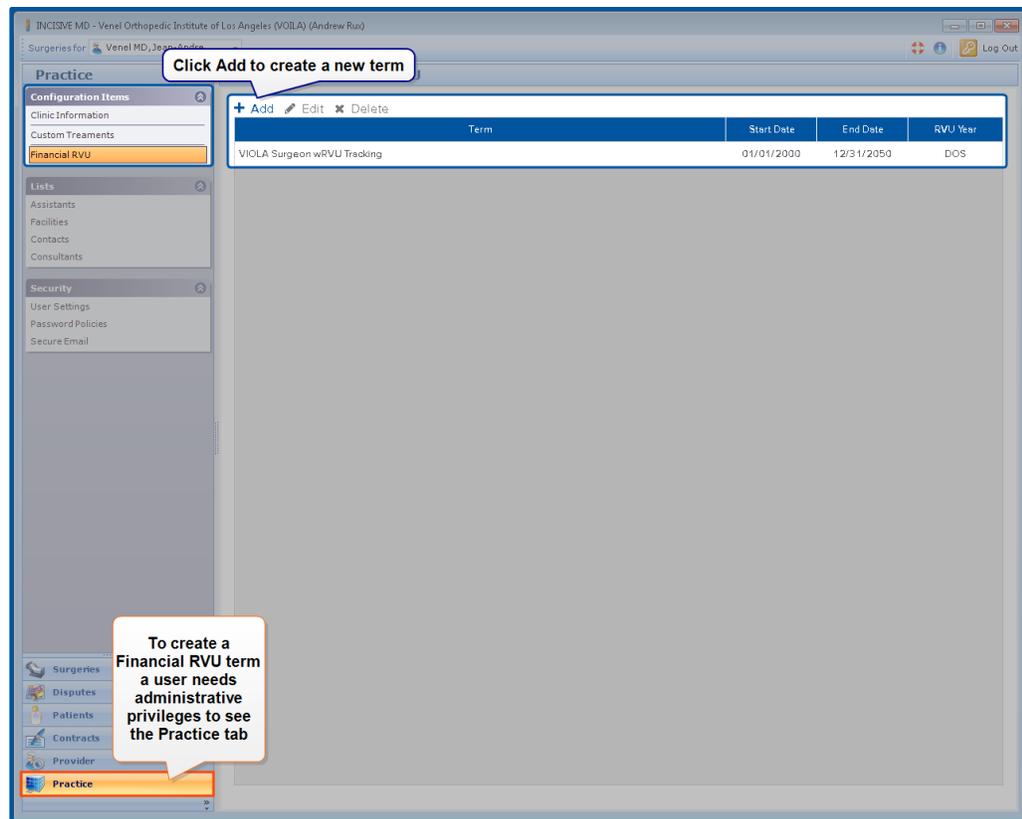
Before you begin installation, you will need to have a basic understanding of the Medicare RBRVS methodology and Work RVUs. You will also need the following information and rights to create a Financial RVU term:

- Starting and ending surgery dates for RVU tracking
- RVU Year to use for Work RVU amounts
- MPR percentages to use for modifier 51
- Percentages to adjust Work RVU for payment modifiers; such as 50, 62, and 80
- Administrative privileges to INCISIVE MD to access the Practice tab

Creating a New Financial RVU Term

To create a new a Financial RVU term, users will need to have administrative privileges to access the Practice tab within INCISIVE MD. If you do have access to the Practice tab, you will see it as the last item in the left side navigation bar. If you do not, you will need to contact either your local INCISIVE MD administrator or INCISIVE Support.

Under the Practice tab Configuration Items, click Financial RVU to see the list of created terms.



Financial RVU Configuration Steps

The next section walks you through setting up a Financial RVU term. You can use the left side navigation menu to move forward or backwards through the configuration webpages.

New Financial RVU

- General Information
- Payment Rules
- Modifier Adjustments
- RVU Year
- RVU Carveouts

General Information

Name for the Financial RVU term, selection of starting and ending dates, and other notes regarding this term

Payment Rules

Set the multiple procedure reduction percentages for each line of service.

Modifier Adjustments

Set the adjustment percentages for modifiers that affect Financial RVU

RVU Year

Select which version of Work RVU amounts to use and if these amounts should be GPCI adjusted.

RVU Carveouts

Specify Work RVUs for procedures that have no RVUs assigned by Medicare.

General Information

This is the basic information for the Financial RVU term. Each term must have a beginning and ending to indicate what surgery dates are to be tracked by the term.

New Financial RVU

- General Information
- Payment Rules
- Modifier Adjustments
- RVU Year
- RVU Carveouts

General Information

Provide a name and start and end dates for Financial RVU calculation period

A Name

B Financial RVU calculation covers surgical dates of service
 from
 through

C Notes

222 characters left of 256 characters

D

- A** A name for the Financial RVU term is required. The title of your Financial RVU term should be no longer than 55 characters.
- B** Provide a starting and ending date for coded surgeries covered by the Financial RVU term.

 Click to use the calendar to select the date or enter dates directly into the date fields. Dates should be in month / day / year format. The earliest date you can select is 1/1/2000 and the maximum future date is 12/31/2050.

 If you update your RVU tracking with the annual Medicare changes, set the end date to be the end of starting year. If no ending date is planned or available, we recommend setting the ending date to 12/31/2050.
- C** You may enter other informational notes regarding this term in the **Notes** text box. You can enter up to 256 characters for the note.
- D** Click **Next** to move to **Payment Rules**.

Payment Rules

Major procedures include both the preoperative workup on the patient, the intraservice of the operation, and a set of visits in the 90 days following the surgery. Since each major procedure includes these preoperative and postoperative visits, payers do not want to pay for these visits twice and so reduce the payments for other primary procedures reported with the surgery. Usually, a payer will pay one primary procedure in full and the others half of their allowable amounts to account for these duplicative visits. This payment reduction for these other primary procedures is called multiple procedure reduction. You can use the Payment Rules to indicate the percentage reduction for each line of service.

New Financial RVU

- General Information
- Payment Rules**
- Modifier Adjustments
- RVU Year
- RVU Carveouts

Payment Rules

Enter multiple procedure payment reduction percentages

E 100% 1st service line

50% 2nd service line

50% 3rd service line

50% 4th service line

F 50% 5th and subsequent lines of service

G **Next** Cancel

- E** Enter the percentage of adjustment for each primary procedure based upon the procedure's line of service assignment.

The default percentages of 100% for the first primary procedure and 50% for the remaining primary procedures is standard for Medicare and most commercial payers. For some customers, Aetna uses 100%, 50%, and 25% percentages.
- F** The last entry for the fifth line of service handles multiple procedure reduction for all additional lines of service.
- G** Click **Next** to move to **Modifier Adjustments**.

Modifier Adjustments

The Work RVU amounts for procedures can be adjusted if modifiers that affect payment are present on a line of service. Informational and HCPCS modifiers that have no effect on payment are ignored for Financial RVU tracking. The modifier adjustments for Financial RVU tracking may be different than those for a particular payer contract. These percentages apply a standard adjustment for all surgeries and do not differentiate between different payers. This provides a uniform methodology for RVU tracking across all payers and providers.

New Financial RVU

- General Information
- Payment Rules
- Modifier Adjustments**
- RVU Year
- RVU Carveouts

Modifier Adjustments

Enter percentages to adjust Work RVU when modifier is appended to procedure code

H	<input type="text" value="120%"/>	22 Difficult
I	<input type="text" value="150%"/>	50 Bilateral
	<input type="text" value="50%"/>	52 Reduced service
	<input type="text" value="100%"/>	53 Discontinued
	<input type="text" value="75%"/>	54 Surgical care only
	<input type="text" value="15%"/>	55 Postop management only
	<input type="text" value="10%"/>	56 Preop management only
	<input type="text" value="62.5%"/>	62 Two surgeons
	<input type="text" value="62.5%"/>	66 Surgical team
	<input type="text" value="100%"/>	78 Return to operating room for related procedure during postop period
	<input type="text" value="16%"/>	80 Assistant surgeon
	<input type="text" value="16%"/>	81 Minimum assistant surgeon
	<input type="text" value="16%"/>	82 Assistant surgeon when resident not available
	<input type="text" value="13.6%"/>	AS Physician Assistant, NP or CNS for assistant-at-surgery

J

- H**

Enter the amount to adjust the Work RVU if the listed modifier is present on a line of service. Percentages over 100% will increase the Work RVU and those below 100% will reduce the Work RVU. The default percentages shown are the standard for Medicare and most commercial payers.
- I**

The **Bilateral** modifier 50 percentage should be set as if modifier 50 was on one line with one unit of service. For contracts where modifier 50 is on a second line of service, the application will consider this and correctly adjust the percentage.
- J**

Click **Next** to move to **RVU Year**.

RVU Year

The RVU Year specifies which set of Work RVU values you want to use for your RVU tracking. As RVU amounts change from year to year, we recommend using the Medicare RVU version option Current at date of service as the basis for your RVU tracking. Moreover, if you specified more than one year when setting the starting and ending dates for the Financial RVU term, the Current at date of service is the best option.

If most payments are GPCI adjusted by your payers, we recommend that you GPCI adjust your Work RVU to better align your RVU tracking with your payments.

K Select whether to use a specific RVU year or use the Work RVU for the procedure active at the time of surgery for RVU tracking.

L Indicate whether or not the Work RVU amounts should be GPCI adjusted and the basis for the GPCI adjustment.

When GPCI adjusting the Work RVU, you can specify whether the adjustment should be done based upon the location of the surgery (facility) or a specific Medicare locality. The Medicare locality option is principally used by customers whose RVU contracts are tied to a specific Medicare locality, like Suburban Chicago.

M Click **Next** to move to **RVU Carveouts**.

RVU Carveouts

Medicare does not assign RVU values to all AMA CPT procedure codes. AMA CPT Category I New Technology and Category III unlisted procedure codes do not have any RVU values assigned to them. Additionally, there are other Category III procedure codes where Medicare has yet to provide an RVU value and assigns the task to each Medicare carrier to determine an appropriate RVU value for the procedure code. These procedure codes are called carrier-priced codes and along with the new technology and unlisted procedure codes are given a Medicare Status Code of “C”.

Assigning an RVU Override Value

Redo Laminectomy add-on procedure codes (AMA CPT 63043 and 63044) are commonly done by orthopedic spine and neurosurgeons. This code is designated by Medicare as a carrier-priced code and thus has no Work RVU amount. We suggest setting the Work RVU amounts for these two procedures codes to be 20% of the primary Redo Laminectomy code (CPT 63042). In 2014, AMA CPT 63042 had 18.76 Work RVU, so 20% would be 3.75. The instructions below are for assigning an RVU override value for CPT 63043.

New Financial RVU

- General Information
- Payment Rules
- Modifier Adjustments
- RVU Year
- RVU Carveouts**

RVU Carveouts

Override Work RVU values from the Medicare Work RVU table

N

✕
Filter
More

Procedure Code	Work RVU	Override RVU
63040	20.31	
63042	18.76	
63043	0.00	
63044	0.00	
63045	17.95	
63046	17.25	
63047	15.37	
63048	3.47	

Procedure Code

63043

Description

Laminotomy addl cervical

Work RVU

0.00

Override RVU

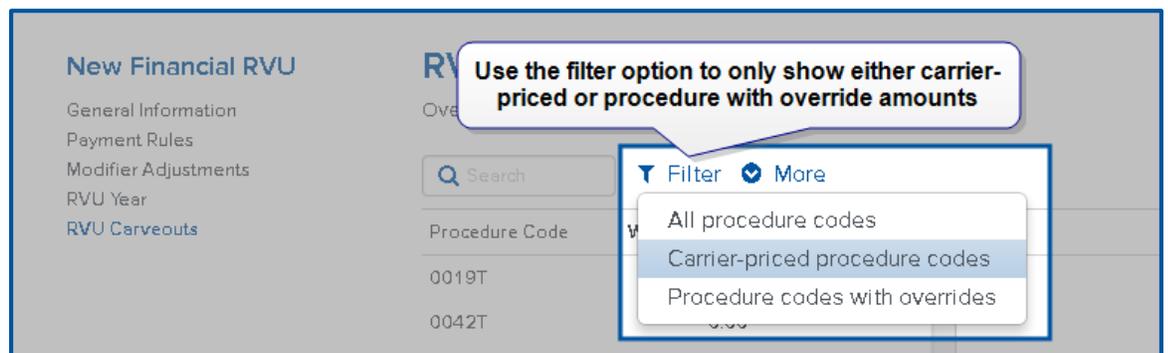
O
3.75

P
Save
Cancel

- N** Use the search box to find the procedure codes who zero RVU value you want to override or edit. You can enter a partial entry to find a group of procedure codes; for example, entering “6304” will find the eight procedure codes starting with “6304”.
- O** Enter the override value. In this example, 3.75.
- P** Click **Save** to finish setting up the Financial RVU term.

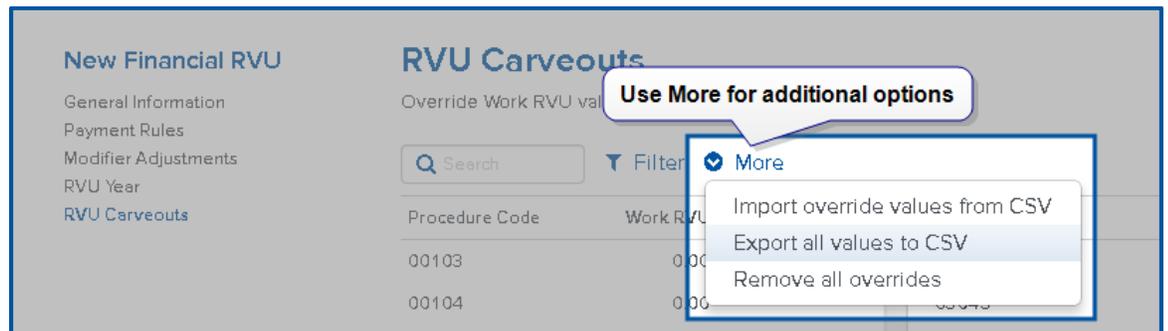
Filtering for Carrier-Priced Codes

Use Filter to show only carrier-priced or procedures with an assigned override value. To unfilter the list, select All procedure codes from the Filter drop down.



Exporting Financial RVU values

Use the More button to import or export RVU values and to remove any RVU overrides you have entered. Exporting the RVU values exports all active Medicare procedure codes, those with values assigned by Medicare and those with RVU override values.





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