

2004 CODING PROFILE SOURCEBOOK:

# Surgical Specialties, Pathology and Radiology

A SUMMARY OF 2002 AND 2003 DATA

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## *Important Notice and Disclaimer*

The information contained in the *MGMA 2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* is presented solely for the purpose of informing readers of the relative frequencies of procedures and diagnoses for different provider specialties. These data may not be used for the purpose of limiting competition, restraining trade, or reducing or stabilizing salary or benefit levels. Such improper use is prohibited by federal and state antitrust laws and will violate the antitrust compliance program established and enforced by the MGMA Board of Directors.

MGMA publications are intended to provide current and accurate information, and are designed to assist readers in becoming more familiar with the subject matter. MGMA published the *MGMA 2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* for a general audience as well as for MGMA members. Such publications are distributed with the understanding that MGMA does not render any legal, accounting or professional advice that may be construed as specifically applicable to individual situations. No representations or warranties are made concerning the application of legal or other principles discussed in MGMA publications to any specific factual situation, nor is any prediction made concerning how any particular judge, government official or other person will interpret or apply such principles. Specific factual situations should be discussed with professional advisers.

# How to Use this Sourcebook

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## *Overview*

This sourcebook was prepared for use by practice administrators, physicians, medical directors, coders, billing managers, compliance officers, practice consultants and others who may benefit from detailed comparative coding information. Terms and concepts are explained at the end of this section for the benefit of first-time profiling data users.

The Medical Group Management Association (MGMA) *2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* has a variety of practical applications. Accurate and comprehensive health care data are relied upon to measure practice performance against others of similar type, size and physician experience level. More specifically, this book addresses coding practices as they apply to health care utilization, courses of patient treatment and reimbursement for services.

## *For the Medical Practice*

The most widely applicable use for these data in medical group practice is to determine whether practices or individual physicians might be undercoding or overcoding procedures, given a patient's diagnosis, age or gender.

Undercoding refers to the practice of recording and seeking reimbursement for less-complex procedures than were actually performed. In this scenario, a practice is forgoing revenue it has legitimately earned. Comparing a practice's or physician's coding patterns with those in this sourcebook can provide clues as to whether or not undercoding exists for particular diagnoses, even by age group and gender.

Conversely, overcoding is the practice of seeking reimbursement for procedures for which there is insufficient evidence of medical necessity. Overcoding can lead to various sanctions ranging from the return of collected reimbursements with interest to federal criminal prosecution. By comparing physician coding with the benchmarking data in this book, practices can potentially identify and eliminate overcoding and the resulting adverse consequences. (For further explanation, see Chart Audits for Medical Group Practice on page 9.)

All group practices hold compliance with regulations as a prime concern. This issue requires vigilance, regardless of whether documentation reveals a pattern of undercoding or overcoding. This sourcebook facilitates the analysis of compliance issues by presenting the following information by provider specialty:

- The relative frequency that a procedure is performed (see Table 3.5 for example) can indicate whether a practice or provider considers certain procedures “routine” for certain diagnoses. If a practice performs specific procedures for a diagnosis at a rate significantly below peer percentages, it may have the opportunity to provide more thorough care and to generate additional revenue. If a practice performs specific procedures for a certain diagnosis at a rate far above peer percentages, it may have cause to reevaluate treatment.

- The age group and gender breakdowns within this sourcebook can provide an accurate basis for comparison with peers. For example, if a practice sees patients ranging from pediatric through geriatric, it may group its patient medical records by age or gender and compare them with similar age and gender groups in the sourcebook. The alternative — pooling all patient records to portray an “average” patient — will generally not provide as valid a comparison. Additionally, gaining a greater knowledge of the most common diagnoses for certain age and gender groups can expose new business opportunities such as a new area of practice to treat high-incidence diagnoses in women or children, or in a geriatric population.

It is important to note that physician profiling is a process, not an event. This process involves scheduled sampling, careful comparison against benchmarking data, examination of documentation in the medical record and communication of profiling results to each physician. Common goals of a profiling program include the assessment of clinical performance and financial performance. Results should always be presented alongside the benchmarking data used, including information validating the source and quality of those benchmarking data.

## ***For the Medical Practice Consultant***

The MGMA 2004 Coding Profile Sourcebook: *Surgical Specialties, Pathology and Radiology* is an objective, information-based resource that complements the consultant's experience and intuition. The broadest application for the data is in comparing national coding profiles to those of a practice or to the patterns of each physician within the practice. These empirical data — often important to the practice administrator or physician — can be used to support and lend credibility to the consultant's analysis, opinion and recommendation.

When used as an aid in coding workshops or demonstrations, this sourcebook can bring attention to specific procedure codes that practice personnel do not fully understand or have never used and can help identify possible coding inaccuracies. From a marketing perspective, the data can also help identify areas for practice growth, based on the frequency of diagnoses and procedures for certain age and gender segments.

Finally, the consultant working with small- to medium-sized practices may find that using the sourcebook as the basis for a business engagement can add value to the consultant's service.

## ***Chart Audits for Medical Group Practice***

The MGMA 2004 Coding Profile Sourcebook: *Surgical Specialties, Pathology and Radiology* can give particular assistance in the chart audit process. A chart audit is an examination of patient medical records and corresponding reimbursement claims to ensure compliance with acceptable coding and billing practices. There are two types of chart audits: self-audits and external audits.

## ***About Self-Audits***

The Department of Health and Human Services' Office of Inspector General (OIG) recommends that medical practices conduct an annual self-audit as part of an ongoing compliance program. The self-audit may be performed by practice staff or with the assistance of an outside firm, billing consultant or legal counsel. The OIG recommends selecting five to 10 medical records per physician.

Using this sourcebook, a practice can compare national profiling data to the profiles of its own physicians. The practice can then target specific physicians, whose coding practices may lie outside the norm, for a chart audit.

Practices that find coding problems as a result of a self-audit can initiate a variety of self-disclosure actions, from a refund of fees and simple explanation to full disclosure to the proper authorities. Practices should seek legal counsel before self-disclosure resulting from a self-audit.

## About External Audits

Medicare insurance carriers and the United States government investigate possible health care fraud and abuse. In addition, almost every contract between commercial insurance companies and health care providers gives the insurer the right to investigate possible private-pay coding impropriety. Therefore, if the coding data submitted by a practice with reimbursement requests show significant variance from national (or patient population-specific) profiling data over time, that practice may be targeted for an external chart audit.

During an external chart audit, auditors will look for lack of documentation or lack of medical necessity for the procedure(s) performed. If the auditors find overcoding or other potential problems, they can order actions ranging from the return of a practice's excess reimbursements to criminal investigation through the OIG or U.S. Attorney's Office.

Whether a medical practice conducts periodic profiling or regularly performs full-scale self-audits, the *MGMA 2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* can help identify physician coding behaviors — providing more time for correction and self-disclosure while decreasing the future likelihood of government chart audits.

## Additional Resources

A wide range of information is available regarding chart audits and the possible sanctions resulting from them. You may want to consider these sources:

United States Department of Health and Human Services, Office of Inspector General  
Web site: [oig.hhs.gov](http://oig.hhs.gov)

Medical Group Management Association  
Web site: [www.mgma.com](http://www.mgma.com)

MGMA Information Center:  
[www.mgma.com/info](http://www.mgma.com/info) or  
303.799.1111, ext. 887.

## Profiling Data Caveats

Just as medical diagnosis and coding involve measures of subjectivity and human error, data collection and reporting are not without certain caveats. In reviewing and using the *MGMA 2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology*, please note certain facts and limitations:

*Sample size:* We believe that the data are representative of national coding patterns. The sample size used for this sourcebook (9.3 million records) can be considered relatively small based on the total universe of yearly national medical events. Therefore, the user is cautioned

that the data may not always be representative when disaggregated by diagnosis, age or gender.

*Differences do not imply wrongdoing:* Unique situational factors not presented here might affect how a specific practice codes for certain diagnoses. The fact that there is a difference between a practice's or physician's coding patterns and those presented in this volume does not necessarily indicate overcoding or undercoding. Any differences noted, however, can provide clues for the focus of internal practice analysis.

*Correct coding:* The coding patterns published here are not intended to be "correct" patterns that will ensure a practice's compliance or validate current revenue composition. Rather, these data represent "actual" procedure coding that took place in practices and hospitals throughout 2002 and 2003. Therefore, it is reasonable to assume that some of the procedures in the data set were coded incorrectly.

*Multispecialty vs. single-specialty settings:* Coding patterns may differ for a given physician specialty as a function of practice type. This book does not present separate data for physicians practicing in single specialty and multispecialty practices.

## Data Types

This sourcebook presents information in the following manner:

- Information is recorded during unique medical events or "encounters." Coding data identify both the reason for the event (diagnosis) and the services provided (procedures).
- Diagnostic codes used are those of the International Classification of Diseases, Ninth Revision, or, more commonly, ICD-9.
- Procedural codes in this book are those of the Current Procedural Terminology classification, or, more commonly, CPT. Procedure codes related to specific diagnoses are reported by age group and gender. In addition, this sourcebook reports Healthcare Common Procedure Coding System (HCPCS) procedure codes.
- The most frequently reported ICD-9 diagnoses and CPT procedures presented here are reported by provider specialty.
- The evaluation and management (E&M) codes are profiled for each provider specialty. This information demonstrates the relative distribution — from least complex to most complex — with which physicians in different specialties perform E&M-specific procedures. Most medical practices devote a great deal of time to and derive a significant portion of patient revenue from E&M office visits. Therefore, understanding how a practice's E&M coding compares with others in its specialty by diagnosis, gender or age group can provide valuable insight into patient treatment, as well as a practice's procedure-based revenue streams.

# Sourcebook Overview

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## *Introduction*

The Medical Group Management Association (MGMA) *2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* is a comprehensive examination of procedure and diagnosis information collected by Physcape Inc., an MGMA Services, Inc. company. This edition of the sourcebook contains information for procedures performed during the 24-month period of January 1, 2002 through December 31, 2003. During this period, Physcape collected a database of more than 74 million procedures, with the related diagnosis, physician specialty and age and sex of each patient.

The MGMA *2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* summarizes the Physcape 2002-2003 database and enables administrators to use these informative data to improve practice operations or to better understand the scope of services and diagnoses for various provider specialties.

## *Description of the 2002 and 2003 Database*

The medical groups that subscribed to Physcape provided information describing 74,861,311 specific procedures and the related information for each procedure from the practices' billing information systems. Practices submitted data to Physcape for all patients for whom a billing record was created. Thus, the Physcape 2002-2003 database represents a comprehensive view of physician and nonphysician provider activity and includes data from all types of insurers, as well as self-pay and indigent patients. This contrasts with other sources of coding data that have tended to focus exclusively on Medicare populations.

Of the 74,861,311 records in the 2002-2003 database, 9,259,512 formed the basis for this

book. These records represent valid procedures attributed to surgical specialty physicians and nonphysician providers.

Demographic Tables 1 through 3 show the distribution of procedure records by provider specialty and, for each specialty, the breakout of procedure records by patient age and gender category. Demographic Table 4 displays the distribution of procedure records by the state where the medical practice is located, and Demographic Tables 5 through 7 show the breakout of procedure records for each state by medical provider specialty, patient age and gender categories. These demographic tables provide insight into the Physcape surgical specialty database and can assist the reader in understanding the data presented in this book.

## ***Description of the Coding Profile Sourcebook***

The sourcebook provides a description of the most frequently performed procedures and diagnoses by provider specialty. The surgical specialty book contains the activity for general surgery; ophthalmology; orthopedic surgery; otorhinolaryngology; pathology; radiation oncology; radiology; urology; optometry; physical therapy; and podiatry. For each specialty, the sourcebook presents:

- Graphs to support the various data tables;
- 40 most frequently recorded procedure codes;
- 40 most frequently recorded diagnosis codes;
- 15 most frequently recorded evaluation and management procedures, anesthesia and surgery procedures, radiology procedures, pathology and laboratory procedures, and medicine procedures;

- A profile of evaluation and management codes;
- For three common diagnosis codes, the 15 most frequent procedures and a profile of evaluation and management codes;
- For three patient age categories, the most frequently occurring diagnosis codes, the 15 most frequent procedures and a profile of evaluation and management codes; and
- For females and males, the most frequently occurring diagnosis codes, the 15 most frequent procedures and a profile of evaluation and management codes.

## ***Related Publications***

Data reflecting the activity of physicians in the primary care specialties are reported in the *MGMA 2004 Coding Profile Sourcebook: Primary Care Specialties* — the first book in this series.

Data reflecting the activity of physicians in medical specialties, along with radiologists and pathologists, are reported in the *MGMA 2004 Coding Profile Sourcebook: Medical Specialties* — the second book in the series.

## ***Advisers***

MGMA members and other professionals listed on page 2 provided guidance on the format and content of the *MGMA 2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology*. Their primary responsibility was to review selected data tables and give guidance on content to ensure that the sourcebook addresses current and relevant practice management issues. The advisers also provided critical input to the quality and relevance of the sourcebook's data.

## *Data Editing*

In general, the data presented in this sourcebook are identical to those in the Physcape database. Because the Physcape database is based on billing record information, it reflects the same level of accuracy as processed patient payments. To eliminate potential data inaccuracies, both Physcape and MGMA have developed processes to identify and, where possible, cleanse coding errors and inconsistencies.

One source of coding error was the use of nonstandard procedure or diagnosis codes by a medical practice. If either the procedure code or diagnosis code was not listed in the appropriate CPT/HCPCS or ICD-9 reference, the record was eliminated from the analysis that appears in this sourcebook. Other tests searched for obvious coding errors such as a diagnosis of “normal pregnancy” for a male or if a patient older than 65 years in age received a pediatric procedure. In combination, these tests deleted a small percentage of the original database records.

## *New for 2004*

This 2004 edition contains information about the Centers for Medicare and Medicaid Services (CMS) status codes for each procedure code. In the tables that present the top 40 or top 15 procedure codes, each procedure descriptor is followed by a colon and a single capital letter that indicates the Medicare procedure status code, such as active code, bundled code, deleted code, noncovered services, etc. A complete list of the CMS status codes and their definitions is presented in Appendix B: CMS Status Codes for 2003.

## *Limitations of the Data*

While the 2002-2003 database may be the largest repository encompassing data from all types of payers, it contains information on less than one percent of all medical procedures performed in the United States. Participation in Physcape was voluntary, by organizations that paid for the opportunity to compare data and obtain performance-oriented reports. Therefore, the data could contain a selection bias. Additionally, the majority of Physcape subscribers were medical group practices, and physicians in medical groups may have different practice patterns than physicians in solo practice or other practice arrangements. Although potential bias could exist, there is no reason to believe that the physicians in Physcape-subscribing practices code differently than physicians in other United States practices.

For this sourcebook, modifiers were excluded from the CPT-4 procedure codes. This permitted similar procedures to be aggregated for reporting purposes.

Provider specialties are self-assigned by the practice. In some practices, a physician will work exclusively within a specialty or subspecialty area. In other organizations, due to coverage issues or patient requests, a physician may have a more comprehensive practice. The data in this book reflect all of the procedures and patient diagnoses reported for each provider, not just the procedures that would be associated with a specific physician specialty or subspecialty.

## ***Confidentiality***

All data submitted and used in this sourcebook are kept confidential. No data will be published or otherwise be made available that identify a specific organization or individual. Only summary tables are published describing the general performance of physicians in a specialty.

## ***Feedback and Order Information***

If you have questions about the data presented in the *MGMA 2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* or comments on how the sourcebook can be improved, please contact the MGMA Practice Management Resources Department toll-free at 877.275.6462, ext. 275, or via e-mail at [pmr@mgma.com](mailto:pmr@mgma.com).

Find order information for the *MGMA 2004 Coding Profile Sourcebook: Primary Care Specialties*, the *2004 Coding Profile Sourcebook: Medical Specialties*, and the *2004 Coding Profile Sourcebook: Surgical Specialties, Pathology and Radiology* on the inside back cover.