Advice on keeping up with C-codes

C-codes, HCPCS, APCs, OPPS, IPPS—OR business managers need to master an intricate and sometimes mysterious set of Medicare regulations in charging for surgical services.

In this column, Keith Siddel, MBA, an expert on health care business operations, responds to questions posed by members of OR Manager’s OR Business Management Listserv. He is CEO of HRM Consulting, Creede, Colorado.

What are the best practices for tying C-codes to the chargemaster?

Siddel: First, let’s review: C-codes are temporary 5-digit HCPCS (Healthcare Common Procedure Coding System) codes assigned to certain new medical devices by the Centers for Medicare and Medicaid Services (CMS). They are attached to the appropriate medical supplies when filing a claim. C-codes are important for 2 reasons:

• They are used to report to Medicare on the use of devices eligible for a pass-through payment as part of the Outpatient Prospective Payment System (OPPS).
• If not reported correctly for devices, they can result in the denial of Medicare claims. C-codes need to be used according to the device-to-procedure edits developed by CMS.

A C-code can be reported with a number of revenue codes: 0272, 0275, 0276, 0278, 0279, 0280, 0289, and 0624. C-codes change frequently, not only at the end of the year when CMS updates the OPPS but also quarterly. So you have to watch for these changes.

Pass-throughs

Pass-through payments are created by CMS when it doesn’t have enough information about a new technology to know how much hospitals are paying for the technology and which procedures it is used for. C-codes enable CMS to collect that information.

Hospitals report C-codes on their Medicare claims for 2 or 3 years, and CMS tracks the information. CMS then uses that information to calculate how to adjust outpatient payment rates to reflect the resources involved in using that new technology. After CMS has the information it needs, the C-code is discontinued.

One thing to remember is that C-codes are unique to items. These items can be used for either inpatients or outpatients, but the C-code affects reimbursement only on the outpatient claim. Also, note that C-codes don’t print as line items on inpatient claims. Some people think that if an item is used
on an inpatient-only case, they don’t need to put the C-code on the claim. That is true from a billing perspective. But it probably makes sense to put the C-code on the claim in case the item isn’t used solely on inpatient-only cases; it may also be useful for internal tracking purposes.

Device-to-procedure edits

CMS developed the device-to-procedure edits because hospitals weren’t reporting the C-codes. The edits are a list of CPT codes that require a C-code reported with them on the claim and the C-codes that require a corresponding CPT code listed with them. The edits, updated quarterly, are available at www.cms.hhs.gov/HospitalOutpatientPPS/02_device_procedure.asp

CMS decided to issue the edits because it was concerned that if C-codes weren’t reported, there wouldn’t be enough data to use in setting the APC reimbursement amounts.

As of October 2009, there were 138 device-to-procedure edits. Of these, 122 have a C-code assigned to them. If you report one of these procedures but don’t have the C-code on the claim, CMS rejects the claim. So it’s important to keep up with the edits.

Keeping up with C-codes

Every year, in the OPPS rule, CMS describes the new technologies that will have C-codes and which CPT codes they will apply to. You need to review the C-codes in the rule and see, “Are we using anything that fits this? Are we going to be buying anything that does?” If the device is already in the chargemaster, assign the C-code. If it’s not, make sure the device is added and that you assign the correct C-code to it. This is usually done through the materials management department. The C-codes are then hard-coded into the chargemaster. Vendors of products that have C-codes can usually give you the codes. I don’t recommend automatically putting those codes into the chargemaster, but they are a starting point.

Keith Siddel will speak on revenue cycle issues at the OR Business Management Conference May 12 to 14, 2010, in San Francisco.

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