

APS Update

PATHOLOGY NEWSLETTER

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Clarification for Reporting Frozen Sections & Touch Preps

When new CPT codes 88333 (Pathology consultation during surgery, cytologic exam, touch prep, squash prep) and 88334 (each additional site) were added, all was well until Medicare's NCCI (National Correct Coding Initiative) paired 88331 (Pathology consultation during surgery, first block with frozen section) with 88334. Medicare's edit appeared to directly contradict CPT nomenclature on the use of these codes. For example, this edit only allows the codes to be reported together if the services were performed on separate specimens. This override of the edit would be reflected with the use of the 59 modifier.

In response to a written inquiry, NCCI clarified that the "specimen" was not really the focus of the edit. If both a frozen section and touch prep are performed on different sites of the tumor and a separate margin, modifier -59 is appropriate to override the edit. Essentially, the focus of the edit is the "site" not the "specimen." Documentation will be critical to justify both charges. Each site subjected to frozen section and each margin for touch prep must be identified within the documentation, such as central lesion (frozen section) and lateral margin (touch prep).

Quest Buys Ameripath

In a move speculated to be related to the loss of the United Healthcare contract to Labcorp, Quest has announced plans to purchase Ameripath for \$2 billion. The revenue thus gained by Quest more than replaces the loss of revenue through the United contract. On the other hand, the wide variety of businesses currently run by Ameripath may create some issues for Quest as they absorb Ameripath.

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Ameripath currently has three major divisions: Specialty Laboratories, a provider of esoteric and reference laboratory services; Ameripath Dermatopathology, an 80 man practice in a rapidly growing segment of the market, and; the owned practices and hospital contracts throughout the country.

Of the three segments it is believed by market analysts that the first two have more obvious connections to the primary businesses run by Quest. The treatment of the hospital based contracts will be most likely driven by the local market conditions and the market presence of each of the owned practices.

There is some skepticism in the financial markets over this transaction. The total acquisition price of \$2 billion is broken into \$1.23 billion in cash for the stock and \$770 million in assumed debt. This amount is well in excess of the \$800 million paid by Welch, Allan to purchase Ameripath four years ago. In the absence of commensurate growth in Ameripath's revenues over that same period, analysts have voiced concerns over whether the funds would have been better used to purchase smaller local laboratories in order to capture markets in a more efficient manner.

2007 EDUCATION CALENDAR Hope to see you there!

Apr 14: Gettysburg, PA
PA Association of Pathologists

Apr 28: Carmel, IN
IN Assoc. of Pathologists

May 4-5: Oak Brook, IL
IL Society of Pathologists

June 25-28: Hilton Head, SC
Scientific Symposiums Int'l

June 30: Chicago, IL
CAP Pathology Practice Mgmt.

Sept 30-Oct 2: Chicago, IL
CAP '07

Cocktails??

Multiple special stains are done on specimens all the time and per CPT guidelines, each one is coded separately. But what do you do if a "cocktail" is used? A "cocktail" is a single stain that contains two or more stains mixed together. If not documented and coded correctly, it could be lost revenue. Per CPT 2007 and *CAP Today* June 2004, for each one that is assessed individually, code them individually. For example: if a PAS and Alcian blue are mixed and used to stain an esophageal biopsy, the PAS for an organism such as fungi and the Alcian blue for Barrett's esophagus, codes 88312 and 88313 would both be reported. But, on the other hand, if a PAS/Alcian blue is used and only one is interpreted and documented, only the one evaluated would be reported.

The same applies to immunohistochemistry stains. It is quite common for a series of IHC stains to be evaluated to assist in tumor typing and each stain would be reported as one unit of 88342. So, if an "antibody cocktail" is used, 88342 would be reported for each antibody that is seen and assessed. If the "cocktail" used does not allow IHC antibodies to be visually distinguishable, then only one 88342 would be reported. Also, as with special stain codes 88312 and 88313, code 88342 is reported per specimen, regardless of how many stained blocks or slides are reviewed.

Labcorp Captures United Healthcare Contract

Labcorp has been able to move a major insurer away from Quest in the constant tug of war between the two major commercial laboratories. United Healthcare has awarded their referral laboratory contract to Labcorp. The agreement calls for Labcorp to be the "exclusive provider of laboratory services" to United Healthcare for a ten year period. The contract is expected to generate \$300 million in revenue each year for Labcorp over that period.

Labcorp is charged with the responsibility to generate networks to ensure accessibility for all lab services in each of United's markets. It is not clear how quickly each market will move towards implementation of the contract and what the expectations will be for each local provider.

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Labcorp has moved specifically to address areas where Quest was a large local provider of services such as in the New York metropolitan area where they have pledged to provide over 100 new patient service centers to meet the needs of United's subscriber. In other regions where Quest utilized local laboratories to provide the bulk of the services it is expected that Labcorp will follow a similar pattern.

Coding Corner

Can we charge for a specimen with no definitive diagnosis because of lack of a specimen quantity or quality?

This will all depend on how the findings are reported. For example: A colon biopsy is submitted and a gross and micro description shows it to be a few fragments mixed with blood and mucus. It is insufficient for evaluation. This would be reported as 88305. Where as a colon specimen submitted and only a gross description was able to be reported due to the fact of scant tissue. Report code 88300. If a colon biopsy is received and no tissue is present, nothing was submitted, this would be a "No Charge", therefore,

If a hernia sac and lipoma of cord are submitted, can both be reported?

The specimens submitted would need to be separately identified by the surgeon as separate specimens, by either a suture, an inking or note. A gross and microscopic exam done and reported, then both can be charged. Report 88302 for the hernia sac, and 88304 for the lipoma of cord.

Do you have a coding question or maybe a specimen that you just want clarification on? A comment or coding concern? E-mail it to me at tscheanwald@ucbinc.com and I will provide answers and/or feedback.