

Introduction to Relative Value Units (RVUs) and Ambulatory Procedures



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Relative Value Unit = RVU

The Center of the Reimbursement Universe!

Resource Based Relative Value Scale (RBRVS)

The Center for Medicare and Medicaid Services (CMS, formerly HCFA) assigns each medical procedure a:

- 1) relative value reflecting the physician work involved in the service (work RVU),
- 2) relative value reflecting the practice expense generated by the procedure (practice expense RVU), and
- 3) relative value representing the cost of professional liability needed to provide the service (professional liability RVU)

Physician Payment by Medicare - RBRVS, RVU

Relative value unit RVU - determines how much is paid for any service based on 3 factors:

Physician Work RVU - physician time & intensity

+ Practice Expense RVU - based on overhead

+ Malpractice cost RVU - cost of liability insurance

= Total RVU X Conversion Factor = Payment

ICD, CPT, RBRVS, RVU, GPCI

- ICD - International Classification of Diseases
- CPT - Current Procedural Terminology
- RBRVS - Resource Based Relative Value Scale
- RVU - Relative Value Unit
- GPCI - Geographic Practice Cost Index

New Mexico's Medicare 2007 RBRVS Reimbursement - Linked to Medicaid and CHAMPUS Reimbursement

Work units x GPCI-NM [=1.0]+ Practice expense x
GPCI-NM [=0.887] + Malpractice expense x GPCI-
NM [=0.895]) x Conversion factor

- 1999 = \$34.7315
- 2000 = \$36.6137 (5.4% increase)
- 2001 = \$38.2581 (4.5% increase)
- 2002 = \$36.1992 (5.4% decrease)
- 2003 (March) = \$36.7856 (1.6% increase)
- 2004 = \$37.3374 (1.5% increase)
- 2005 = \$37.8975 (1.5% increase)
- 2006 = \$37.8975 (no increase)
- 2007 = \$37.8975 (no increase) - Budget Neutrality Adjustor in wRVU

GPCI =
Geographic
Practice
Cost
Indicator

Sources: Center for Medicare and Medicaid Services (CMS)

Analysis: Dan Derksen, MD, UNM Center for Community Partnerships 081207

Anatomy of 2007 RBRVS: NM vs US

Component	Weight	US Mean	New Mexico	NM Weighted
Work RVU	55%	1.000	1.0	0.5500
Practice RVU	42%	1.000	0.888	0.3730
Malpractice RVU	3%	1.000	0.880	0.0264
TOTAL				0.9494

Bottom line: Average New Mexico practitioner RBRVS payment is 95% of national average

Note: Medicare Economic Index (MEI) allocates RVUs to pools for physician work (55%), practice expense (42%), and liability expense (3%) Sources: Center for Medicare and Medicaid Services (CMS) Analysis: David Scrase, MD, President, Presbyterian Health Plan and Dan Derksen, MD, UNM Center for Community Partnerships

Calculating Medicare Reimbursement Using Geographic Adjusters 2007 Non-Facility Pricing Amount

CPT Code: 99213 Established Patient (15 min)

Work RVU	0.92	X	Bdgt Neutrality Adjustor 0.8994	X	wGPCI 1.00	=	.8274
Practice Exp RVU	0.71	X	peGPCI		0.888	=	.6305
Prof Liability RVU	0.03	X	pIGPCI		0.880	=	<u>.0264</u>
Total RVU CPT Code 99213(geographically adjusted)						=	1.4843

1.4843 X Medicare Conversion Factor \$37.8975 = \$56.25

Source: <http://www.oknmmedicare.com/provider/disclosure/cptlogin.asp> (Physician Office = Non-facility Payment; Facility Payment e.g. UNM Hospital Clinic, physician payment = \$40.77)

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Calculating Medicare Reimbursement Using Geographic Adjusters 2007 Facility Pricing Amount

CPT Code: 99213 Established Patient (15 min)

Work RVU 0.92 X Bdgt Neutrality Adjustor 0.8994 X wGPCI 1.00 = .8274

Practice Exp RVU 0.25 X peGPCI 0.888 = .222

Prof Liability RVU 0.03 X plGPCI 0.880 = .0264

Total RVU CPT Code 99213(geographically adjusted) = 1.0758

1.5769 X Medicare Conversion Factor \$37.8975 = \$40.77

Source: <http://www.oknmmedicare.com/provider/disclosure/cptlogin.asp> (Physician Office = Non-facility Payment; Facility Payment e.g. UNM Hospital Clinic, physician payment = \$35)

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2007 Medicare RVU & Payment Data

CPT	Description	Total RVU	Work RVU	PE RVU	MP RVU	Example Fee	medicare
46600	ANOSCOPY-DIAGNOSTIC	0.9	0.5	0.35	0.05	\$ 91.00	\$ 30.50
69210	REM CERUMEN EARS 1/BOTH	0.87	0.61	0.21	0.05	\$ 74.00	\$ 29.58
54150	CIRCUM.CLAMP/DEV.NEWBORN	3.15	1.9	1.09	0.16	\$ 157.00	\$ 106.82
57455	COLPOSCPY OF CERVIX INCLD UPPR/ADJ	3.05	1.99	0.82	0.24	\$ 259.00	\$ 103.44
57511	CAUTER.CVX.CRYOCA.INIT/REP	3.49	1.92	1.34	0.23	\$ 296.00	\$ 118.33
17000	DEST.BEN/PREMA.1ST LESION	1.24	0.62	0.59	0.03	\$ 105.00	\$ 42.08
17003	DEST.2-14TH BEN/PREMA LES	0.14	0.07	0.06	0.01	\$ 12.00	\$ 4.63
93000	ROUTN.ECG,W/12LEADS, W/I&R	0.67	0.17	0.47	0.03	\$ 56.00	\$ 22.50
58100	ENDOMETRIAL BX (NOVA/VABR)	2.4	1.53	0.69	0.18	\$ 204.00	\$ 81.52
10060	I&D ABCESS,SIMPLE/SINGLE	2.28	1.19	0.97	0.12	\$ 193.00	\$ 77.20
20610	ARTHRO.ASPIR.MJR.JNT/BURSA	1.32	0.79	0.42	0.11	\$ 134.00	\$ 44.71
58300	INSERT INTRAUTERINE DEVICE	1.47	1.01	0.34	0.12	\$ 276.00	\$ -
58301	REMOVE INTRAUTERINE DEVICE	1.87	1.27	0.45	0.15	\$ 158.00	\$ 63.35
57460	COLPOSCO.W/LOOP ELECT.EXCI	4.48	2.83	1.31	0.34	\$ 380.00	\$ 152.06
12001	SMPL.REP.SNAEGTE 2.5CM OR<	2.63	1.72	0.76	0.15	\$ 223.00	\$ 89.32
12002	SMPL.REP.SNAEGTE 2.6-7.5CM	2.94	1.88	0.89	0.17	\$ 249.00	\$ 99.67
11730	AVUL.NAIL PLT.P/C.SMPL.SGL	1.64	1.1	0.4	0.14	\$ 139.00	\$ 55.65
94010	SPIROMETRY W/O MEDS	0.23	0.17	0.05	0.01	\$ 19.00	\$ 7.70
94060	BRONCHOSPASM EVAL.SPIROMET	0.41	0.31	0.09	0.01	\$ 35.00	\$ 13.97
11100	BX.SKIN,SUBCU.TISS.SGL.LES	1.22	0.81	0.38	0.03	\$ 104.00	\$ 41.45
20552	SINGL/MULT TRIGGER PNT(S), 1 OR 2 MU	0.92	0.66	0.21	0.05	\$ 93.00	\$ 31.09

Example Fee - professional component of medicare billing only (facility component billed by hospital) - Medicare Facility Billing

2007 Medicare E&M Codes Payment & RVU Data

Daniel Derksen, MD 4-23-07

CPT	Description	Total RVU	Work RVU	PE RVU	MP RVU	Example fee	medicare*
99201	OUTPT/NEW PROBLEM FOCUSED	0.63	0.45	0.15	0.03	\$ 53.00	\$ 21.21
99202	OUTPT/NEW EXPANDED FOCUSED	1.24	0.88	0.31	0.05	\$ 105.00	\$ 42.04
99203	OUTPT/NEW DETAILED FOCUSED	1.9	1.34	0.47	0.09	\$ 162.00	\$ 64.67
99204	OUTPT/NEW COMP FOCUSED	3.13	2.3	0.71	0.12	\$ 266.00	\$ 106.34
99205	OUTPT/NEW COMPCOMPLEX	4.1	3	0.95	0.15	\$ 348.00	\$ 139.30
99211	OUTPT/ESTAB MINIMAL	0.24	0.17	0.06	0.01	\$ 24.00	\$ 8.04
99212	OUTPT/ESTAB PROBLEM FOCUSED	0.64	0.45	0.16	0.03	\$ 54.00	\$ 21.54
99213	OUTPT/ESTAB EXPANDED FOCUSED	1.2	0.92	0.25	0.03	\$ 102.00	\$ 40.87
99214	OUTPT/ESTAB DETAILED FOCUSED	1.89	1.42	0.42	0.05	\$ 161.00	\$ 64.31
99215	OUTPT/ESTAB COMP FOCUSED	2.72	2	0.64	0.08	\$ 231.00	\$ 92.42
99221	INITIAL HOSP CARE/LOW COMP	2.43	1.88	0.48	0.07	\$ 206.00	\$ 82.53
99222	INITIAL HOSP CARE/MOD COMP	3.4	2.56	0.74	0.1	\$ 289.00	\$ 115.40
99223	INITIAL HOSP CARE/HIGH COMP	4.96	3.78	1.05	0.13	\$ 421.00	\$ 168.52
99231	F/U HOSP CARE/PROBLEM FOCUSED	1.02	0.76	0.23	0.03	\$ 86.00	\$ 34.51
99232	F/U HOSP CARE/EXPANDED FOCUSED	1.82	1.39	0.39	0.04	\$ 155.00	\$ 61.83
99233	F/U HOSP CARE/DETAILED FOCUSED	2.6	2	0.54	0.06	\$ 221.00	\$ 88.39
99238	DISCHRG.DAY MGMT.30MIN OR<	1.86	1.28	0.53	0.05	\$ 158.00	\$ 63.09
99239	DISCHARGE DAY MGMT.30+MINS	2.69	1.9	0.72	0.07	\$ 228.00	\$ 91.37
99241	OUTPT CONSULT/PROBLEM FOCUSED	0.91	0.64	0.22	0.05	\$ 78.00	\$ 31.05
99242	OUTPT CONSULT/EXPANDED FOCUSED	1.91	1.34	0.47	0.1	\$ 163.00	\$ 65.01
99243	OUTPT CONSULT/NEW OR ESTAB	2.65	1.88	0.64	0.13	\$ 225.00	\$ 89.92
99244	OUTPT CONSULT/COMP	4.15	3.02	0.97	0.16	\$ 353.00	\$ 141.06
99245	OUTPT CONSULT/COMP/COMPLEX	5.25	3.77	1.27	0.21	\$ 446.00	\$ 178.22
99251	INPT CONSULT/PROBLEM FOCUSED	1.31	1	0.26	0.05	\$ 111.00	\$ 44.53
99252	INPT CONSULT/EXPANDED FOCUSED	2.09	1.5	0.5	0.09	\$ 177.00	\$ 70.99
99253	INPT CONSULT/DETAILED FOCUSED	3.1	2.27	0.72	0.11	\$ 263.00	\$ 105.21
99254	INPT CONSULT/COMP	4.46	3.29	1.04	0.13	\$ 379.00	\$ 151.51
99255	INPT CONSULT/COMP/COMPLEX	5.55	4	1.37	0.18	\$ 471.00	\$ 188.54

Example Fee - professional component of medicare billing only (facility component billed by hospital) - Medicare Facility Billing

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2006 Minor Office Procedures - Visit Codes

2006 NM Medicare Payment to Physicians for Primary Care Visit Codes, wRVUs, Medicare Non-Facility Payment (Physician Office or Inpatient Visit) and Facility Payment (e.g. UNM Hospital Ambulatory Clinics)

Procedure	CPT Code	wRVU	Medicare Non-Facility Payment	Medicare Facility Payment
Est Pt (15 min)	99213	0.67	\$49.60	\$34.48
Est Pt (25 min)	99214	1.10	\$78.01	\$57.17
Est Pt (40 min)	99215	1.77	\$114.16	\$91.64
New Pt (30 min)	99203	1.34	\$91.82	\$69.97
New Pt (45 min)	99204	2.00	\$130.29	\$103.73
New Pt (60 min)	99205	2.67	\$166.11	\$138.21
Intl Hosp Visit (50 min)	99222	2.14	\$109.37	
Intl Hosp Visit (70 min)	99223	2.99	\$152.35	
F/U Hosp Visit (25 min)	99232	1.06	\$53.97	
Discharge Day <30 min	99238	1.28	\$68.36	
Discharge Day >30 min	99239	1.75	\$93.23	
Est Pt Consult (40 min)	99243	1.72	\$116.32	\$90.77
Est Pt Consult (60 min)	99244	2.58	\$164.72	\$134.13
Intl Inpt Conslt (40min)	99252	1.32	\$69.88	
Intl Inpt Consult (55m)	99253	1.82	\$95.56	
Intl Inpt Consult (80m)	99254	2.64	\$137.40	

Note: Non-Facility - e.g. Physician Office, or Inpatient Visits

Note: Facility - e.g. payment for physician services in a UNM Hospital Clinic

Source: <http://www.oknmmedicare.com/provider/dissclosure/cptlogin.asp>

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*Medicare doesn't pay for insertion of IUD!

Medicare 2006 vs 2007 wRVU and Payment Comparisons

CPT	Description	wRVU2006	wRVU2007	Medicare2006	Medicare2007	Example fee*
99202	OUTPT/NEW EXPANDED FOCUSED	0.88	0.88		\$ 42.04	\$ 105.00
99203	OUTPT/NEW DETAILED FOCUSED 30min	1.34	1.34	\$69.97	\$ 64.67	\$ 162.00
99213	OUTPT/ESTAB EXPANDED FOCUSED 15min	0.67	0.92	\$34.48	\$ 40.87	\$ 102.00
99214	OUTPT/ESTAB DETAILED FOCUSED 25min	1.1	1.42	\$57.17	\$ 64.31	\$ 161.00
99222	INITIAL HOSP CARE/MOD COMP 50min	2.14	2.56		\$ 115.40	\$ 289.00
99223	INITIAL HOSP CARE/HIGH COMP 70min	2.99	3.78		\$ 168.52	\$ 421.00
99232	F/U HOSP CARE/EXPND FOCUSED 25min	1.06	1.39		\$ 61.83	\$ 155.00
99233	F/U HOSP CARE/DETAILED FOCUSED	1.51	2		\$ 88.39	\$ 221.00
99238	DISCHRG.DAY MGMT 30MIN OR<	1.28	1.28		\$ 63.09	\$ 158.00
99239	DISCHARGE DAY MGMT 30+MINS	1.75	1.9		\$ 91.37	\$ 228.00
99243	OUTPT CONSULT/NEW OR ESTAB 40min	1.72	1.88	\$90.77	\$ 89.92	\$ 225.00
99244	OUTPT CONSULT/COMP 60min	2.58	3.02	\$134.00	\$ 141.06	\$ 353.00

*Example fee = 2.5 X Medicare Rate - Medicare Facility Fee (Non-facility Medicare fee higher)