| Program Memorandum Carriers | Department of Health & Human Services (DHHS) |
| | Centers for Medicare & Medicaid Services (CMS) |

| Transmittal B-03-017 | Date: FEBRUARY 28, 2003 |

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CHANGE REQUEST 2539

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SUBJECT: Add-On-Codes for Anesthesia

This Program Memorandum (PM) instructs the carriers how to price anesthesia add-on-codes.

Background

Payment for anesthesia services is based on the sum of an anesthesia code-specific base unit value plus anesthesia time units multiplied by the locality-specific anesthesia conversion factor. Under current policy, if the physician is involved in multiple anesthesia services for the same patient during the same operative session, payment is based on the base unit assigned to the anesthesia service having the highest base unit value and anesthesia time that encompasses the multiple services.

The physician reports the anesthesia procedure with the highest base unit value with the multiple procedures modifier, "51", and total time across all surgical procedures.

New Codes

The Current Procedural Terminology includes new add-on-codes for anesthesia involving burn excisions or debridement and obstetrical anesthesia. The add-on code is billed in addition to the primary anesthesia code. In the burn area, code 01953 (1 base unit) is used in conjunction with code 01952 (5 base units). In the obstetrical area, code 01968 (2 base units) is used in conjunction with code 01967 (5 base units); code 01969 (5 base units) is used in conjunction with code 01967 (5 base units). The physician reports the add-on-code with the primary anesthesia code.

Pricing Claims

Anesthesia add-on-codes are priced differently than multiple anesthesia codes.

Generally, for an add-on code, allow only the base unit of the add-on code. All anesthesia time should be reported with the primary anesthesia code. There is an exception for obstetrical anesthesia.

We have learned that third party payers may have different policies for payment of time units for obstetrical anesthesia than for other anesthesia codes. If the time of the add-on obstetrical codes, such as 01968 or 01969, were reported with the primary code, the time units of the add-on code might be undervalued. To prevent this result, we are requiring, for the obstetrical add-on codes, that the anesthesia time be separately reported with each of the primary and the add-on code based on the amount of time appropriately associated with either code. Thus, recognize both the base unit and the time units for the primary and the add-on obstetrical anesthesia codes.

If your system cannot do this currently, then manually price these claims. The situations involving the add-on-codes are low volume codes for the Medicare population.

EXAMPLE: Code 01967 is billed with 01968. Make two separate calculations. Price code 01967 using 5 base units and anesthesia time units and price code 01968 using 2 base units and anesthesia time units.

CMS-Pub. 60B

Adjustments for Erroneous Payment

Adjust the payment for any claims that may be brought to your attention.

Provider Education

This information must be shared with providers through your Web site within 2 weeks and published in your next regularly scheduled bulletin.

The *effective date* for this PM is July 1, 2003.

The *implementation date* for this PM is July 1, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2004.

If you have any questions, contact Jim Menas on (410) 786- 4507 or Melvia Page-Lasowski on (410) 786-4727 or Kathy Kersell on 786-2033.