



# Surgical Roll-up

## Provider Reimbursement

# What is the surgical roll-up?

- Reimbursement method for outpatient claims (TOB 0131) submitted with surgical procedure code(s).
- Payment method in effect since 1993.
- Basis of the outpatient surgical fee schedule is Medicare's outpatient OPPS/APC fee schedule.
- Does not apply to inpatient, professional or ASC claims.

# How the surgical roll-up works

- Certain revenue codes have been identified as related to the surgical procedure.
- Charges on these identified revenue codes are added together (rolled up) and called the “surgical charges”.
- The totaled “surgical charges” are then compared to our surgical FS rate – the surgical FS rate is the total of all surgical rates at full/half/half calculation.

# How the surgical roll-up works

- Reimbursed the lesser of charges or fee schedule (FS) rate.
- CPT<sup>®</sup>/HCPCS on revenue codes not in the roll-up are reimbursed based on their FS rate.
- Total reimbursement is the total of surgical FS amounts, plus FS rates for other services less any member cost share.
- Charges above the FS rate (“high charges”) are considered provider liable.

# Surgical Roll-up Guidelines

- Surgical procedures are reimbursed at full/half/half (100%/50%/50%).
- The procedure with highest rate is considered primary and paid at full.
- Other procedures are reimbursed at half.
- Example:
  - FS of \$945 – Primary (Paid at 100%)
  - FS of \$650 - Secondary (Paid at 50% = \$325)



# Surgical Roll-up Guidelines

- Surgical procedures **always** have a unit of one (1)
  - If bilateral procedure, bill on 2 separate lines
  - If multiple “each add’l code”, bill on 2 or more separate lines
- Modifier 73 - discontinuation of an outpatient procedure following the surgical prep of the patient but prior to anesthesia.
- Use surgical procedure code with modifier 73.  
This will reimburse 50% of fee schedule rate.

# Surgical Roll-up Guidelines

- Services should not span multiple dates.  
For example, a 2 week or monthly billing.
- Endoscopies are paid using the full/half methodology.
- Charges for the CRNA or anesthesiologist are **NOT** billed on UB-04. These are billed on the CMS-1500 claim form.

# Attribute Indicators

- BCBSND attribute indicators are based on Medicare's APC status indicators.
- Attribute indicators are published on the hospital outpatient fee schedule annually.
- Combined with revenue codes, attribute indicators are the drivers of reimbursement in the surgical roll-up methodology.



# Attribute Indicators

Attr Ind	Description
0	Rated codes not considered a surgical procedure
1	Outscope procedure
2	Non-rated codes not considered a surgical procedure
3	Non-covered Medicare risk
4	Bundled line Medicare risk
5	Non-payable
7	Rated surgical procedure
8	Rated pharmacy codes that roll when billed with a surgical procedure
9	Rated separately payable devices/implant
10	Packaged into primary surgical procedure
11	Electroshock therapy
12	Partial Hospitalization
13	Non-rated surgical procedure
14	Non-rated pharmacy codes that roll when billed with a surgical procedure
15	Non-rated separately payable devices/implant
16	By report packaged code which rolls with surgical procedure
17	Multiple radiology code
18	Multiple radiology code - by report
19	Rated accomodative intraocular lens (IOL)
20	Non-rated accomodative intraocular lens (IOL)
21	Rated procedure excluded from surgical roll-up
22	Non-rated procedure excluded from surgical roll-up



# Surgical Revenue Codes

- Reviewed and updated list published annually in HealthCare News.
- In general – pharmacy, supplies, OR, recovery, observation, most devices are considered part of “surgical charges”.
- Certain devices and pharmacy are paid in addition to surgery. This exception list is published annually in HealthCare News.



## Example - Surgical Procedure Billed on Rev Code other than OR

Claim

42 Rev Cd	43 Description	44 HCPCS/Rate	45 Serv Date	46 Serv Units	Total Charges
450	Emergency Room	12034	042116	1	\$ 188.00
450	Emergency Room	90471	042116	1	\$ 24.00
450	Emergency Room	99283	042116	1	\$ 208.00
636	Drugs/Detail Code	90714	042116	1	\$ 70.00
001	Total Charges				\$ 490.00

System

Rev Cd	Description	HCPCS	Serv Date	Units	Total Charges	Rolls?	Rate	Summ Chg
450	ER	12034	042116	1	\$ 188.00	Yes	\$ 139.09	\$ 139.09
450	ER	90471	042116	1	\$ 24.00	No	\$ 21.84	
450	ER	99283	042116	1	\$ 208.00	No	\$ 154.02	
636	Drugs	90714	042116	1	\$ 70.60	No	\$ 13.63	
001	Total				\$ 490.60		\$ 328.58	

### Surgical Procedure Billed on Rev Code other than OR

- System recognizes surgical code regardless of the revenue code used.
- Would still roll other rev codes such as 270 if billed – no others on this claim.
- Surgical procedure done in Emergency Room.
- Beginning 1/01/04, the ER revenue code was removed from the roll-up.
- ER now pays in addition to the surgical procedure.



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## Example - Single Surgery

Claim

42 Rev Cd	43 Description	44 HCPCS/Rate	45 Serv Date	46 Serv Units	Total Charges
250	Pharmacy		030316	67	\$ 277.18
271	Nonsterile supplies		030316	2	\$ 54.50
272	Sterile supplies		030316	6	\$ 378.76
278	Supply/implant	C1758	030316	1	\$ 25.05
310	Pathology Lab	88300	030316	1	\$ 34.35
360	OR Services	42820	030316	1	\$ 932.40
370	Anesthesia		030316	11	\$ 274.60
636	Drugs/Detail Code	J1100	030316	80	\$ 40.18
636	Drugs/Detail Code	J2250	030316	5	\$ 18.56
636	Drugs/Detail Code	J3010	030316	1	\$ 12.16
710	Recovery Room		030316	30	\$ 174.00
762	Observation Room	G0378	030316	12	\$ 1,075.00
001	Total Charges				\$3,296.74

System

Rev Cd	Description	HCPCS	Serv Date	Units	Total Charges	Rolls?	Rate	Summ Chg
250	Pharm		030316	67	\$ 277.18	Yes		
271	NonSt		030316	2	\$ 54.50	Yes		
272	Sterile		030316	6	\$ 378.76	Yes		
278	Implant	C1758	030316	1	\$ 25.05	Yes		
310	Path	88300	030316	1	\$ 34.35	No	\$ 29.69	
360	OR	42820	030316	1	\$ 932.40	Yes	\$ 1,735.43	\$ 3,262.39
370	Anesth		030316	11	\$ 274.60	Yes		
636	Drugs	J1100	030316	80	\$ 40.18	Yes		
636	Drugs	J2250	030316	5	\$ 18.56	Yes		
636	Drugs	J3010	030316	1	\$ 12.16	Yes		
710	Recovery		030316	30	\$ 174.00	Yes		
762	Obs	G0378	030316	12	\$ 1,075.00	Yes		
001	Total				\$ 3,296.74		\$ 1,765.12	

- **Single Surgery – T&A with Observation**
- Observation rolls into surgical chgs
- Device on Rev. 278 rolls into surgical chgs
- Pathology paid separately from fee schedule rate
- Reimbursed the lesser of charges or fee schedule



**ND**

## Example – Bilateral Surgical Procedure

Claim

42 Rev Cd	43 Description	44 HCPCS/Rate	45 Serv Date	46 Serv Units	Total Charges
250	Pharmacy		012416	15	\$ 435.25
258	IV Solutions	J7120	012416	4	\$ 194.00
270	Med-Sur Supplies		012416	18	\$ 1,126.00
272	Sterile Supplies		012416	7	\$ 155.50
272	Sterile Supplies	A4315	012416	1	\$ 41.75
312	Pathol/Hystol	88305	012416	2	\$ 245.00
490	Ambul Surg	19318	012416	1	\$ 3,831.00
490	Ambul Surg	19318 50	012416	1	\$ 3,831.00
636	Drugs/Detail Code	J0330	012416	2	\$ 35.00
636	Drugs/Detail Code	J2250	012416	2	\$ 35.00
636	Drugs/Detail Code	J2405	012416	2	\$ 35.00
636	Drugs/Detail Code	J3010	012416	3	\$ 52.50
001	Total Charges				\$ 10,017.00

System

Rev Cd	Description	HCPCS	Serv Date	Units	Total Charges	Rolls?	Rate	Summ Chg
250	Pharm		012416	15	\$ 435.25	Yes		
258	IV Soln	J7120	012416	4	\$ 194.00	Yes		
270	MS Supp		012416	18	\$ 1,126.00	Yes		
272	St Supp		012416	7	\$ 155.50	Yes		
272	St Supp	A4315	012416	1	\$ 41.75	Yes		
312	Path	88305	012416	2	\$ 245.00	No	\$ 187.90	
490	Am Surg	19318	012416	1	\$ 3,831.00	Yes	\$ 3,998.39	\$ 9,754.50
490	Am Surg	1931850	012416	1	\$ 3,831.00	Yes		
636	Drugs	J0330	012416	2	\$ 35.00	Yes		
636	Drugs	J2250	012416	2	\$ 35.00	Yes		
636	Drugs	J2405	012416	2	\$ 35.00	Yes		
636	Drugs	J3010	012416	3	\$ 52.50	Yes		
001	Total				\$ 10,017.00		\$ 4,186.29	

### Bilateral Surgical Procedure

- Need to submit procedure code on 2 separate lines for correct payment.
- May apply modifier 50 to second line but not needed for system.
- Surgical procedure calculated at full/half .
- Full FS = \$2665.59
- Half FS = \$1332.80
- Pathology paid from fee schedule rate – paid in addition to surgical services.



**ND**



**ND**