

PearlMatrix® REIMBURSEMENT GUIDE

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Physician Services

When physicians bill for services performed, payers require physicians to assign a CPT code to classify or identify the procedure performed. These codes are uniformly accepted by all payers. Medicare and most insurance companies use a fee schedule to pay physicians for their professional services, assigning a payment amount to each CPT code.

Physician Reimbursement	CPT Code	Description	Total RVUs	Medicare National Average Payment*
Primary Surgery	22630	Arthrodesis, posterior interbody technique, including laminectomy and/or discectomy to prepare interspace (other than for decompression), single interspace; lumbar	47.39	\$1,557.50
Bone Graft	20930	Allograft, morselized, or placement of osteopromotive material, for spine surgery only; (List separately in addition to code for primary procedure)	0.00**	\$0
Instrumentation	22840	Posterior non-segmental instrumentation (e.g., Harrington rod technique, pedicle fixation across one interspace, facet screw fixation)	22.60	\$752.30
	22853	Insertion of interbody biomechanical device(s) (e.g., synthetic cage, mesh) with integral anterior instrumentation for device anchoring (e.g., screws, flanges), when performed, to intervertebral disc space in conjunction with interbody arthrodesis, each interspace	7.70	\$256.31

*Conversion Factor: \$33.2875

**CPT 20930 is considered a packaged service with the primary procedure

Hospital Outpatient

Medicare reimburses hospital outpatient services under the Outpatient Prospective Payment System (OPPS), which bases payment on Ambulatory Payment Classifications (APCs). CMS considers Transforaminal Lumbar Interbody Fusion (TLIF) performed in an Ambulatory Surgical Center (ASC) place of service non-reimbursable.

Outpatient Hospital Reimbursement	APC Code	Description	Relative Weight	Medicare National Average Payment*
Primary Surgery	5116	Level 6 Musculoskeletal Procedure	203.4144	\$17,774.76
Bone Graft	Bundled with APC 5116			
Instrumentation				

*Conversion Factor: \$87.382

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Hospital Inpatient

Medicare reimburses inpatient hospital services under the Inpatient Prospective Payment System (IPPS), which bases payment on MS-DRGs (Medicare Severity Diagnosis Related Groups). Each inpatient stay is assigned to one payment group, based on the ICD-10-CM and ICD-10-PCS codes assigned to the major diagnoses and procedures. Each DRG group has a flat payment rate, which bundles the reimbursement for all services and devices the patient received during the inpatient stay.

MS-DRG Code	Description	Relative Weight	Medicare National Average Payment*
459	Spinal fusion, except cervical, with MCC**	6.6323	\$ 46,439.37
460	Spinal fusion, except cervical, without MCC**	3.6579	\$ 25,612.62

*National Base Operating Rate: \$7,002.00
**MCC: Major Complication or Comorbidity

ICD-10-PCS

For patient admissions involving procedures, hospitals must also report ICD-10-PCS procedure codes for surgeries and other procedures as well as ICD-10-CM diagnosis codes. The example of codes may be appropriate for the performance of a transforaminal lumbar interbody fusion surgery, using PearlMatrix®.

ICD-10-PCS	Description
0SG00AJ	Fusion of Lumbar Vertebral Joint with Interbody Fusion Device, Posterior Approach, Anterior Column, Open Approach
0SG03AJ	Fusion of Lumbar Vertebral Joint with Interbody Fusion Device, Posterior Approach, Anterior Column, Percutaneous Approach
0SG04AJ	Fusion of Lumbar Vertebral Joint with Interbody Fusion Device, Posterior Approach, Anterior Column, Percutaneous Endoscopic Approach

Glossary

Ambulatory Payment Classification (APC): A system for grouping outpatient services provided by hospitals based on similarity of costs and clinical indications; used by the Centers for Medicare and Medicaid Services to set the rates at which it will reimburse hospitals for outpatient care.

Ambulatory Surgical Center (ASC): A facility that focus on providing same-day surgical care, including diagnostic and preventive procedures.

Current Procedural Terminology (CPT): CPT codes offer health care professionals a uniform language for coding medical services and procedures to streamline reporting. CPT codes, descriptions and other data only are copyright 2024 American Medical Association. All rights reserved.

Healthcare Common Procedure Coding System (HCPCS): HCPCS is a standardized coding system used to process claims for insurance payments by CMS. It has two main categories: Level 1 codes are CPT codes, describing medical, surgical, and diagnostic services performed; Level 2 codes are developed by CMS to identify products, supplies, and services not included in Level 1 codes (e.g., ambulance services, drugs, devices, DME). **Hospital Inpatient Prospective Payment System (IPPS):** This system categorizes cases into diagnoses-related groups (DRGs) that are then weighted based on resources used to treat Medicare beneficiaries in those groups. **Hospital Outpatient Prospective Payment System (OPPS):** The system through which Medicare decides how much money a hospital or community mental health center will get for outpatient care provided to patients with Medicare.

ICD-10-CM: A statistical classification system created by the Center for Disease Control and Prevention Act, which arranges diseases and injuries into groups according to predetermined criteria.

ICD-10-PCS: A classification system, which is used for coding procedures and services provided in the inpatient setting only.

For Reimbursement assistance and support, contact us:



reimbursement@cerapedics.com



(303) 974-6275, press 7



info.cerapedics.com/reimbursement

References

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2. FY 2024 Hospital Outpatient PPS | CMS-1786-FC. <https://www.cms.gov/medicare/payment/prospective-payment-systems/ambulatory-surgical-center-asc/asc-regulations-and/cms-1786-fc>. Accessed November 29, 2023.
3. FY 2024 IPPS Final Rule | CMS - 1785F, 1785CN. <https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/fy-2024-ipp-final-rule-home-page>. Accessed November 29, 2023.
4. Centers for Medicare & Medicaid Services. International Classification of Diseases, Tenth Revision, Procedure Coding System (ICD-10-PCS) <https://www.cms.gov/medicare/coding-billing/icd-10-codes/2024-icd-10-pcs>. Accessed November 29, 2023.