

July 14, 2005

2005 CPT Code Update: Calculation of July 2005 RVU Values

Examples of the new evaluations are included below. (For a complete list of the codes and publications, please visit the CMS website- <http://www.cms.hhs.gov/providers/pufdownload/rvudown.asp>.) CMS published the Non-FAC PE RVU and the FACILITY PE RVU amounts for acupuncture codes – see below in **red**.

CPT Code	Description	Work RVU	Non-Fac PE RVU	Facility PE RVU	MP RVU	Conv. Factor
January 2005 RVU Valuation						
97810	Acupuncture w/o stimul 15 min	0.60	0.00	0.00	0.03	37.8975
97811	Acupuncture w/o stimul addl 15m	0.50	0.00	0.00	0.03	37.8975
97813	Acupuncture w/stimul 15 min	0.65	0.00	0.00	0.03	37.8975
97814	Acupuncture w/stimul addl 15m	0.55	0.00	0.00	0.03	37.8975
July 2005 RVU Valuation						
97810	Acupuncture w/o stimul 15 min	0.60	0.38	0.23	0.03	37.8975
97811	Acupuncture w/o stimul addl 15m	0.50	0.25	0.19	0.03	37.8975
97813	Acupuncture w/stimul 15 min	0.65	0.40	0.25	0.03	37.8975
97814	Acupuncture w/stimul addl 15m	0.55	0.30	0.21	0.03	37.8975

The relative value units above have a direct affect on the fee calculation for a procedure code and the adjustments in the CMS relative value schedule increase the amount of money that acupuncture is worth.

Below is an example of the fee calculation for Los Angeles County. As you can see, this change represents a dramatic increase in the fees.

CPT Codes	CMS Fee Schedule January 2005	CMS Fee Schedule July 2005
97810	\$24.94	\$41.38
97811	\$22.78	\$31.78
97813	\$23.52	\$44.24
97814	\$22.95	\$35.93

To understand and to calculate the CMS fee schedule, please see the information below:

Definition of Terms:

Work RVU	Relative Value Unit applied to the "work" provided by the provider of service
Non-FAC PE RVU	This indicates the practice expense relative value for services performed in any location other than a hospital (facility) setting
Facility PE RVU	This is the practice expense relative value for services performed in a Hospital or facility location
MP RVU	Relative Value unit placed on the cost of Malpractice insurance cost
Conv. Factor	Dollar amount used to determine the customary and reasonable or CMS fee for the service based upon the formula below

Calculating the Localized CMS Fee:

The CMS RVU's are published on a national basis and each of the three categories of RVU's explained above are adjusted based on a geographic price cost indices (GPCI). These values adjust the Work RVU, the Practice Expense RVU and the Malpractice RVU for the geographic location of the provider performing the service. A complete list of the GPCI adjustments is found on the CMS Website, under Addendum H.

(<http://www.cms.hhs.gov/regulations/pfs/2005/AddendumH.pdf>) Simply locate your locale, and the adjustment amounts are listed.

The payment formula for 2005 is:

$[(\text{Work RVU} * \text{Work RVU GPCI Adjustment}) + (\text{Non-Facility PE RVU} * \text{PE RVU GPCI Adjustment}) + (\text{MP RVU} * \text{MP RVU GPCI Adjustment})] * \text{Conversion Factor}$

Example of this calculation for Los Angeles County is:

WORK RVU GPCI for LA County is: 1.049
NON-FAC PE RVU GPCI for LA County is: 1.142
Mal Practice RVU GPCI for LA County is: 0.955

Calculation for services performed in a Los Angeles County practice:

$97810 [(.60 * 1.049) + (.38 * 1.142) + (.03 * .955)] * 37.8975 = \41.38

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