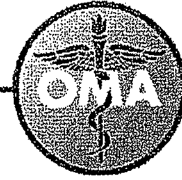
OREGON MEDICAL ASSOCIATION



Kathleen Brown, M.D.
Oregon Coast Dermatology
620 Commercial Avenue
Coos Bay, OR 97420

Dear Dr. Brown:

As you know, the OMA's Health Care Finance Committee discussed your case last week and I would like to share the results of the committee's deliberations, as well as information we have obtained outside of the meeting during the process of advocating this case.

The appropriate place to start would be to say that many committee members were supportive of your right to practice medicine in a way you feel best serves your patients to the greatest extent possible. There are many models of care delivery in practice and many others being considered by various entities. However, given the realities of current systems in place, the OMA cannot support your billing practices. There were many factors which contributed to this decision. Committee members expressed that while you are entitled to not use CPT codes, this practice is ultimately onerous to the patient who often times is unable to be reimbursed.

Since that discussion took place, we have received a response from the Oregon Medical Board that actually limits the above commentary. The OMB has indicated that it has decided to uphold the current rule stating that "the use of procedure codes are an important part of practice, and the Board does not want to change the rule to allow practitioners to use codes OR a narrative description of the procedure. Instead, both will continue to be required. The Board considers such procedure codes to be necessary as a standardized way to document procedures". While it has not indicated the intent to pursue any action at this time, you will understand that the Board retains exclusive rights to set the standards for licensure in the state.

The second development was that both ODS and Regence informed the OMA that they were amending the language in their contracts with patients to state that in order for members to be reimbursed, they need to provide CPT and ICD-9 codes. Given this situation, there is effectively no option to practice in a fee for service model without the use of these codes. Even in specialties such as anesthesia for which time-based billing is accepted, billing for time must be processed with the appropriate time-based CPT codes.

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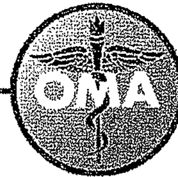

It was also mentioned that as part of the federation of medicine led by the AMA, it would be a contradictory position for the OMA to affirm your position given that CPT was developed by the AMA to assist physicians in reporting medical procedures and services. Committee members also expressed that your billing methodology is not aligned with the administrative simplification efforts that the OMA has been strongly involved in and could, potentially, add to health care expenses. This is based on the fact that insurance claims processing systems are designed to automatically assign codes so that there is minimal staff time required to adjudicate claims. Some members did suggest that you contact the American Academy of Dermatology to discuss what would be involved in changing the way dermatology services are coded and billed. If time based billing CPT codes were adopted by your specialty organization and the AMA, you could potentially abide by OMB and insurance provider requirements with a very limited number of such CPT codes.

I hope that you find this information useful in your future deliberations. Thank you for participating in the OMA. We value your membership and hope to assist you again in the future.

Sincerely,

Robert Orfaly, M.D.
Health Care Finance Committee Chair

Cc: David Shute, M.D. – Vice-chair

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