Corcoran Consulting Group
A Division of Ardaire Corporation

MEDICARE REIMBURSEMENT FOR PUNCTAL OCCLUSION BY SMART PLUG®

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QUESTION: Does Medicare cover punctal occlusion with SmartPlug®?

ANSWER: Yes. Use 68761 (*Closure of lacrimal punctum; by plug, each*) to describe the professional service. Medicare makes no distinctions between types or brands of plugs.

2

QUESTION: What documentation is required in the chart to support this service?

ANSWER: Medicare expects that a surgical procedure will not be performed as an initial treatment. The chart should include documentation that other therapies were unsuccessful. Other therapies would usually include drops, and may include ointments.

3

QUESTION: How should the procedure be documented?

ANSWER: Punctal occlusion with plugs is considered a surgical procedure. Therefore, the risks, benefits and alternatives need to be reviewed with the patient prior to the procedure, and the patient's consent obtained. An appropriate operative report should be placed in the medical record, which includes any preparatory drops and which puncta were occluded. Note the brand, size and lot number of the plugs. Any postoperative instructions would also be noted. A template for in-office procedures is available on our web site.

4

QUESTION: What is the Medicare reimbursement for punctal occlusion with plugs?

ANSWER: The national Medicare Physician Fee Schedule allowable in 2007 is $131.50. This amount is adjusted by local wage indices in each area.

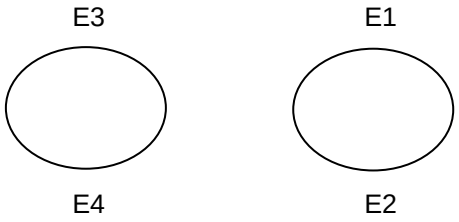
When two puncta are occluded at the same session, multiple surgery rules apply. The first procedure is allowed at 100% and the second is allowed at 50%. If a third and fourth puncta are also occluded at the same session, the MCPM Chapter 12 §40.6.C16 states *"If any of the multiple surgeries are bilateral surgeries, consider the bilateral procedure at 150 percent as one payment amount, rank this with the remaining procedures, and apply the appropriate multiple surgery reductions."* The effect of this approach reduces payment for the third and fourth puncta to 37.5% for each puncta.

5

QUESTION: How do we indicate on the claim form which puncta were treated?

ANSWER: Medicare has assigned "E" modifiers to indicate which eyelid was treated. They are:

E1	Left upper lid
E2	Left lower lid
E3	Right upper lid
E4	Right lower lid



Most private payers (and some Medicare carriers) do not recognize these "E" modifiers, but will accept RT (right eye) and LT (left eye) on the claim. Bilateral services may be reported as 68761-50.

January 1, 2007

The reader is strongly encouraged to review official instructions promulgated by Medicare and other payers; this document is *not an official source* nor is it a complete guide on all matters pertaining to reimbursement. The reader is also reminded that this information can and does change over time, and may be incorrect at any time following publication.

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QUESTION: May we charge for an exam on the same day?

ANSWER: Sometimes. Punctal occlusion by plug is considered a minor surgical procedure, with a 10-day global period. Minor surgical procedures include the visit on the day of surgery in the global surgery package unless there is a separate and identifiable reason for the visit.

When there is a separate and identifiable reason for the visit, modifier 25 is appended to the visit code. Modifier 25 indicates that the patient's condition required an additional E/M service beyond the usual preoperative care provided for the procedure or service. CPT adds that *"This [25] modifier is not used to report an E/M service that resulted in a decision to perform surgery."* When the need for punctal occlusion has been previously determined, the exam is included with the procedure unless there is a separate disease.

For additional information, request our FAQ on reimbursement rules related to modifier 25.

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QUESTION: What about payment for the supply of the plugs themselves?

ANSWER: Medicare has never made separate payment for temporary plugs. Effective January 1, 2002, Medicare does not pay for permanent punctal plugs either, although other payers may.

For commercial payers, use CPT code 99070, miscellaneous supplies; include a description of the supply and the number of plugs inserted on the claim form.

January 1, 2007

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