



BILLING / FEES

Relative Value Units Up for 2023 - But Are You Getting Paid More?

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WHAT YOU NEED TO KNOW

- RVU is likely your best tool for understanding the value of one service compared to another.
- Using the logic of relative value can aid you in establishing a fair and reasonable fee for all your services.
- All businesses (including chiropractic practices) should do a fiscal review of fees every year.

Question: I saw that relative value units (RVU) increased for 2023. Does this mean I will get increased payment for my services?

You are correct: The relative value units of CPT codes were adjusted, as they are each year; this year, it is a 1-3% increase in the common codes used by doctors of chiropractic.

For example, last year, 98940 had a relative value of 0.81; in 2023, it increases to 0.82. 98941 in 2022 was 1.16; for 2023 it is 1.18; while 98942 went from 1.52 to 1.53. Additional examples of increases from 2022 to 2023 include 99203: 3.29 to 3.33; 99213: 1.66 to 1.68; and 97124: 0.88 to 0.90.

These small changes may result in reimbursement increases, but it is not always that simple, as the conversion factor for the services may increase or decrease. There is no better evidence of this than with Medicare.

Getting Paid More or Less? Medicare vs. Other Insurance



Medicare sets a conversion factor that is multiplied by the RVU to provide the Medicare rate for that service. However, in 2023 in most regions, although the RVU was increased, the conversion factor was *reduced*. You are likely seeing this already in your Medicare rates: about a 25 cent to \$1 reduction in the chiropractic manipulation codes - even though the RVU is now higher.

Conversely, however, insurance plans that maintain the same conversion will no doubt have an increase in payments. This is common in workers' compensation fee schedules. For example, in 2022 Texas had a conversion of \$61.17, while in 2023 it is \$64.83. In other words, not only did the RVU increase; so did the conversion factor. Many states do the same: They have a straight conversion of the RVU and typically the conversion will increase, if not remain the same.

Understanding RVU

RVU is likely your best tool for understanding the value of one service compared to another. Every code has a relative value, meaning a comparison from one to another. If a code is valued at 0.75 and another code is valued at 1.0, then the codes are 25% different.

For example, the RVU for 98940 is 0.82 and for 98941 it is 1.18, meaning the value difference between them is about 36%. You see this reflected with non-per-diem plans; the allowed rate of a 98941 compared to a 98940 is about 1/3rd higher. You will see this ratio reflected in Medicare rates among all common chiropractic, physical medicine, and evaluation and management services.

Setting Fair & Reasonable Fees Based on Relative Value

Using the logic of relative value can aid you in establishing a fair and reasonable fee for all your services. If you know the fee of one code, you can then establish the fee for any other code based on the primary service fee and set a ratio based on the relative value.

For example, if you charge \$60 for 98940 and have established that is the fair and reasonable fee allowed and payable, you can use that value to establish the fees for other codes based on relative values.

To do this, follow this algorithm: $\$60 \text{ divided by } 0.82 = 73.17$. *The sum 73.17 becomes your conversion factor.* Simply multiply that number by another service's RVU to determine the price based on the \$60 fee for 98940. (Note: This means you have established not only that the \$60 for 98940 is fair, reasonable, and customary in your region, but also what you are being paid or is allowed.)

Here are the values of other services based on a \$60 fee for 98940. For 98941: $73.17 \times 1.18 = \$86.34$; for 99203: $73.17 \times 3.33 = \$243.65$; for 97110: $73.17 \times 0.88 = \$64.38$.

This is how plans including Medicare, WC, PI and non-PPO plans determine fees. (Note: American Specialty Health, et al., do not.) In using this algorithm, you may find you have been undervaluing what is reasonable for certain codes; but also find you have some that are not reasonable and too high.

Value Your Services - Insurance Probably Isn't Going to Do It for You

All businesses (including chiropractic practices) should do a fiscal review of fees every year. When there are increased expenses for the business, there will be increases in charges. A chiropractic office should not be dependent solely on increasing its volume of patients to match the cost of business and inflation, but also by increasing the value and price of the services provided.

My big lament when it comes to insurance is how insurance plans can charge higher premiums to patients / subscribers year to year, pay their executives high salaries and bonuses, and their employees cost-of-living increases - but never raise the rates paid to providers. Yet they indicate to the general public that the reason for increased premiums is the increased costs of the services. How can that be true when they often never pay the provider more?

Editor's Note: Have a billing question? Submit it via email to Sam at sam@hjrossnetwork.com. Your question may be the subject of a future column. Note that submission of a question is acknowledgment that it may be referenced (anonymously) in his column.

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