

Clinical Social Work

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PRACTICEUPDATE

HOW REIMBURSEMENT RATES ARE DEVELOPED FOR CLINICAL SOCIAL WORKERS IN PRIVATE PRACTICE

- More than 3,000 relative value recommendations for new and revised codes were submitted from 1993 through 2003 by the RUC. Over 300 recommendations were made to CMS for carrier-priced and non-covered services. CMS relies heavily on these recommendations when establishing interim values for new and revised CPT codes.

Reimbursement rates for clinical social workers in private practice are based on the resource-based relative value scale (RBRVS). The federal government developed this standardized physician payment schedule in 1992. It is used not only for physicians but for non-physician practitioners such as clinical social workers, psychologists, and clinical nurse specialists.

There are three components used to develop the cost of each service: work, practice expense, and professional liability insurance. The work component accounts for 55 percent of the relative value system. Factors that determine work values are: (1) the time it takes to perform the service; (2) the technical skill and physical effort; (3) the required mental effort and judgment; and (4) the stress due to the potential risk to the patient. Work values are updated each year depending on changes in practice. The Center for Medicare and Medicaid Services (CMS) is required by legislation to review the RBRVS scale at least every five years.

The practice expense of the RBRVS averages 42 percent of the total relative value for each service and is also resource-based. It takes into account the site of service and factors such as supplies, equipment, and staff time.

CMS implemented the resource-based professional liability insurance in 2000 which averages 3 percent of the total relative value for each service.

Reimbursement rates are calculated by multiplying the combined resource costs of work, practice expense, and professional liability insurance by a conversion factor determined by CMS. Payments are adjusted for geographical differences in resource cost. This accounts for variable clinical social work rates in different localities across the nation. A clinical social worker who has earned an MSW as his or her terminal degree is paid 75 percent of the payment scale for clinical psychologists.

THE PROCESS

Annual updates about work and practice expense values are forwarded to CMS based on recommendations from committees involving the American Medical Association (AMA) and national medical specialty societies. These committees include:

- The AMA/Specialty RVS Update Committee (RUC) which makes recommendations to CMS on the work values;
- The AMA/Practice Expense Advisory Committee (PEAC) which makes recommendations to CMS on the practice expense values; and
- The AMA/Health Care Professional Advisory Committee (HCPAC) which allows for participation of limited non-physician licensed health care professionals who are paid for services based on the RBRVS. This committee reports new and revised values of work and practice expenses values to CMS by non-MD/DO professionals.

Specialty societies who participate in the RBVRS process have several ways to indicate their interest. They may (1) survey their members to obtain data on the amount of work and practice expense involved in a service and develop recommendations based on the survey results; (2) make written recommendations; (3) decide that the codes require no change because recommended changes do not alter the nature of the service; or (4) take no action because the codes are not used by independent practitioners in their specialty society.

Each year CMS publishes the updated RBRVS in the Physician Fee Schedule of the *Federal Register*. It relies heavily on the recommendations by the American Medical Association's RBVRS committees and in 2001, CMS accepted 98 percent of the recommendations from the AMA.

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CPT

The relative values of work, practice expense, and professional liability insurance all comprise what is known as the Current Procedural Terminology (CPT) which is a listing of billing procedural codes that describe health and mental health services performed. There are over 8,000 CPT codes that are maintained by the AMA/CPT Editorial Panel. This coding system is updated every year to reflect revisions, deletions, modifications, and additions of codes that describe current health and mental health practice.

NASW

NASW is the specialty society representing the profession of clinical social workers in the RBRVS process. Since the 1990s, it has advocated for fair and higher reimbursement rates for clinical social workers through attendance at the AMA RBRVS committee meetings and provided input on new and revised codes relevant to clinical social workers in private practice. NASW, along with the Clinical Social Work Federation, has participated in several RBRVS surveys to determine work and practice expense values for new and revised CPT codes. These have included surveys of the individual psychotherapy codes, the new health and behavior assessment codes, and the central nervous system codes which includes testing procedures.

In addition to this update, NASW has published several practice updates on the RBRVS and CPT Codes:

- National Association of Social Workers. (1999). *Psychotherapy survey results*. (Document No. 913). Washington, DC: Author. This practice update provides an overview of the individual outpatient psychotherapy survey conducted in 1998 by NASW and the CSWF and provides the new work values for these codes.

- National Association of Social Workers. (1999). *CPT codes most frequently used by clinical social workers*. (Document No. 928). Washington, DC: Author. This update lists the most frequently used CPT codes by clinical social workers across the country.
- National Association of Social Workers. (2001). *Individual CPT psychotherapy codes used by clinical social workers*. (Document No. 927). Washington, DC: Author. This update describes the 12 individual psychotherapy CPT codes used by clinical social workers.
- National Association of Social Workers (2001). *Non-time valued CPT codes used by clinical social workers*. (Document No. 953). Washington, DC: Author. This update discusses psychotherapy CPT codes that do not have recognized time values for billing procedures.
- National Association of Social Workers. (2002). *New health and behavior assessment cpt codes for use by clinical social workers*. (Document No. 953). Washington, DC: Author. This update familiarizes clinical social workers with CPT codes whose primary focus is on the biopsychosocial factors important to physical health and treatment.

RESOURCES

- American Medical Association. (2002). *AMA/specialty society rvs update process*. Chicago: Author.
- National Association of Social Workers (NASW). Private Practice Specialty Practice Section. Available www.socialworkers.org/section.