TO: Local Health Directors and Directors of Nursing

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DATE: April 7, 2014

SUBJECT: Use of LU codes in Child Health

As consultants are visiting local health departments and doing chart and coding reviews, they are finding a lot of issues around inappropriate use of LU codes, usually to avoid charging clients for a preventive visit when doing a sports physical, a Kindergarten Health Assessment, or when doing the assessment to complete a form for a child going to Pre-K program such as Headstart. Requirements for such assessments and, in some cases the forms themselves, require that all components done for a Health Check visit also be done for these types of exams (see requirements for Headstart below.) In addition, it is critically important with the increase in sports injuries and even deaths of young people while participating, that the provider completing that form do a thorough assessment before signing that the child/adolescent is eligible to participate in sports; not doing so could put the provider at risk of malpractice suits if anything does happen.

Because of that, I want to repeat some information provided about 10 years ago on providing services at a “flat fee.” A number of factors influence whether a local health department may apply a “flat fee” to a service provided in the agency: the description of the service; whether the service is provided to individuals with Medicaid coverage, private insurance and/or self-pays; whether third party payors cover the service and how it must be billed; the Program in which the service is provided; relevant statutes and Administrative Code; and the requirements of specific types of funds.

The first “rule” to consider is that “your charge is your charge”; i.e., you may not vary your charge by payor source but you may accept a variety of reimbursements as full payment for that service (e.g. you might have a charge of $100 for a service, but accept as full payment: $92 from Medicaid; $85 from a particular industry in your community with whom you have negotiated a discounted rate; and $0, $20, $40, $60, $80 or $100 from self-pays, depending on where they fall on the sliding fee scale.)

Second, for all women’s and children’s health services, 15A NCAC 21B .0109 (a)(2) and (3) apply: “If a local provider imposes any charges on clients for maternal and child health services, such charges:...(2) will not be imposed on low-income individuals or their families; (3) will be adjusted to reflect the income, resources, and family size of the individual receiving the services.” This means that, in all cases for WCH Programs, the sliding fee scale must be applied and it must slide to zero ($0.00).

Third, Medicaid policy clearly states that “in no case shall charges for services provided to Medicaid clients exceed charges for that service to the general public.” (See attached other Medicaid rules.)

May a LHD use an LU code to bill a sports or camp physical?

Answer: In order to use an LU code there must be a significant difference between the exam done and billed to Medicaid and other third party payors with a 99383 – 385 or 99393 – 395 and the one billed to clients using an LU code (see the ** note at the bottom of the LU code list.) The decision on how to bill cannot be based on the form to be filled out (e.g., an adolescent comes in with a form to be completed to participate in sports does not mean you can use LU208.) If the child/adolescent has already had a comprehensive exam and the agency is just filling out the form based on what is in the clinical record from that visit, LU021 could be an appropriate code to use. The definitions for the preventive medicine codes are based on age but all say either Initial or Periodic preventive medicine evaluation and management of an individual including an age and gender appropriate history, examination, counseling/anticipatory guidance/risk factor interventions, and the ordering of laboratory/diagnostic procedures (CPT Plus, 2013.)

The guidance on what is to be included in the assessment for completing certain forms has changed over time to reflect “best practice” and usually calls for that comprehensive preventive health visit. For example:

Kindergarten Health Assessments now require the full examination
Headstart requirements:
- Physical examination
- Updated immunizations
- Vision screening
- Hearing screening
- Dental screening
- Developmental screening

AAP sports form: The goals of a pre-participation sports evaluation are:
* Determine that the athlete is in general good health
* Assess the athlete's present fitness level
* Detect conditions that predispose the athlete to new injuries
* Evaluate any existing injuries of the athlete
* Assess the size and developmental maturation of the athlete
* Detect congenital anomalies that increase the athlete's risk of injury
* Detect poor pre-participation conditioning that may put the athlete at increased risk

If you have questions about use of LU codes in specific situations, please contact your Child Health Nurse Consultant.