

# Surgery

## Introduction

Surgery consists of these specific procedures: cutting operation, suturing a wound, treatment of a fracture, reduction of a dislocation, radiotherapy (excluding radioactive isotope therapy) if used in lieu of a cutting operation for removal of a tumor, electrocauterization, diagnostic and therapeutic endoscopic procedures, and injection treatment of hemorrhoids and varicose veins.

## Cutting Operation

Penetrating living tissues with surgical knife or sharp instrument to explore, drain, remove, divide, repair or introduce. Fundamental cutting operations are divided into these five categories:

### Classification

- |                |   |
|----------------|---|
| • Amputation   | Disarticulations  |
| • Excision     | Removal of lesions, organs, biopsy  |
| • Incision     | Incision and drainage, laparotomy, thoracotomy  |
| • Introduction | Blood transfusions, insertion of metal devices, operative preparation for arteriography, cannula insertion for hemodialysis |
| • Repair       | Open reductions of fractures and dislocations, Plastic repairs of wounds.   |

## Suturing of a Wound

Sewing together edges of accidental cuts or tears with incidental removal of foreign matter and dead skin.

Simple Wound Repair. Closing minor, uncomplicated lacerations of skin surfaces by suture, stitch or clip, any body area by size, i.e., wound length.

Complex Wound Repair. Closing severe, complicated lacerations requiring delicate tissue handling, transfer, re-arranging, or other unusual and time-consuming surgical repair techniques necessary to obtain maximum functional and cosmetic results, by specific body area, wound length, size of defect and type of plastic repair.

## **Treatment of a Fracture**

*Fracture Treatment.* Fracture treatment includes all services provided by the surgeon such as: medical visits; reduction; cast, splint, traction application and removal; cast, splint re-application and removal; x-ray exams; dressing; bandages; and other supply items directly associated with actual treatment. Surgeon's fee for all such services is a covered charge and reimbursable.

*Nonunion of Fracture.* When fractures fail to heal (nonunion) or normal healing is delayed, refracture and reduction may be performed. Common causes requiring this fracture treatment include improper immobilization, interference with blood supply to the bone as a result of the fracture, and loss of bone substance so that the broken ends do not meet. The benefit amount specified in Informative Schedules for manipulative reduction is payable for each manipulative reduction performed. Should surgical intervention, i.e., open reduction, become necessary, the benefit amount specified for that procedure is also payable.

*Malunion of Fracture.* When fragments of a fractured bone heal in a faulty position, surgical intervention (osteotomy) is usually indicated to correct the condition. Old compound fractures creating the orthopedic deformity may require bone division, internal fixation and bone grafting. Benefits are payable according to extent of the surgical procedure in each individual case. Since indications for this type of corrective surgery may occur many months or years following termination of the original fracture management, classify and code according to actual procedure performed, but not on the basis of open operation to reduce a fracture.

*Open Reduction.* Reduction of fractures after incision of fracture site. Additional benefit based on facts is payable for bone grafting if separate incision to obtain bone for grafting is required. If bone used for grafting is obtained from bone bank or from same anatomical area as fracture without separate incision, not additional benefit for bone graft is payable.

## **Radiotherapy**

This procedure treats cancerous or noncancerous growths with x-rays, other high-energy rays, or rays emitted by radioactive materials. Radiology is principally used to treat malignancy. Its therapeutic effect arises from the fact that cancer cells are more sensitive to radioactivity than normal healthy cells, and consequently can be destroyed while nearby normal cells are not severely injured. Uses of radiotherapy unrelated to cancer include treatment of radiotherapy unrelated to cancer include treatment of thyrotoxicosis.

## **Electrocauterization**

This procedure burns and destroys tissue by electric current and specially devised apparatus. Some examples are electrocoagulation, electrodesiccation and fulguration.

### **Diagnostic and Therapeutic Endoscopic Procedures**

Examining and treating body cavities by special instruments. Some examples are anoscopy and esophagoscopy.

### **Injection and Treatment of Hemorrhoids and Varicose Veins**

This procedure is the injecting of medication into swollen or enlarged veins.

### **Elective or Optional Surgery**

Elective surgery is defined as surgery for conditions which should be operated upon although failure to have surgery performed would not result in a catastrophe. Surgeries which fall in this category would include: simple hemorrhoids, simple hernia (no danger of strangulation), removal of superficial (benign) cysts or tumors.

Some elective surgeries constitute therapeutic treatment of a condition while others may be performed for nonfunctional purposes (e.g. cosmetic). Cosmetic surgeries should be distinguished from those done for therapeutic reasons.

Surgeries which fall into the elective category, while generally therapeutic and, therefore, covered, should be reviewed when the possibility exists that they are not functional.

### **Diagnostic Surgery**

These surgical procedures should be noted as they require very little by way of post-operative care. Examples of diagnostic surgeries are as follows:

- Arteriography
- Biopsy, skin
- Bronchoscopy
- Cystoscopy (diagnostic)
- Encephalography
- Endoscopy (diagnostic)
- Laparoscopy (diagnostic)
- Laryngoscopy (diagnostic)
- Lumbar puncture
- Myelography
- Paracentesis (diagnostic)
- Proctoscopy (diagnostic)
- Sigmoidoscopy (diagnostic)
- Ventriculography.



## Pre-Op and Post-Op Surgeon Charges

*Pre-op.* Treat as surgical fee for the operation. Those are surgeon's charges for pre-operative hospital services which are directly related to preparation for surgery. These services are limited in scope and include only the immediate pre-operative visit in hospital to examine patient, complete hospital records, and initiate treatment program for surgical procedure. Pre-operative visit charge during admission for surgical correction of chronic condition, for example, usually relates solely to preparation for surgery. Physician's pre-operative hospital services under following circumstances are excluded from category of surgical care since services represent treatment of patient's injury or disease rather than preparation for surgery.

- Pre-operative visit is initial visit, e.g., emergency, and prolonged detention or evaluation is required to prepare patient or establish need for and type of surgical procedure. Examples of diagnosis for which pre-operative visit would be initial emergency visit are severe lacerations, acute intestinal obstruction, acute appendicitis, strangulated hernia.
- Pre-operative visit is a consultation.
- Hospitalization prior to surgery is more than one day. In this case, visits on all days prior to surgery are considered nonsurgical medical care.
- Surgical procedure is not primary reason for hospital admission, e.g., bronchoscopy during confinement for bronchitis.

*Post-op.* Some surgical procedures require very little, if any, postoperative care, with exception of dressing wound and removing stitches. Other procedures require extensive care throughout the postsurgical convalescence. In determining charge amount upon which Surgical Expense benefit for surgery is based, including physician's charge for postsurgical care of patient in hospital and in office postoperative recovery period. Postsurgical follow-up care for diagnostic procedures, e.g., endoscopy, injection procedure for radiology, etc., includes only that care related to recovery from diagnostic procedures itself. Care of condition for which diagnostic procedure was performed, or other conditions, is excluded from category of surgical care. Post-surgical follow-up care for therapeutic surgical procedures includes all normal follow-up care. Care for complications, exacerbations, recurrence or other diseases or injuries concurrent with the procedure(s) or during the listed period of normal follow-up care is excluded from category of surgical care.

## Multiple Procedures

These are procedures done during the same operative session (one continuous anesthesia period) or through the same incision or through the same body orifice or bilateral procedure (one eye vs. both eyes).

Depending on the facts and circumstances either of two ways are followed in adjudication the benefits for multiple procedures:

- Pay the largest of the procedures.

- Pay a multiple (usually 1.5x) of the largest procedure.

## **Unbundling Practice**

As it is well known to all claims examiners, the bills for related services to surgical procedures are proliferating. This practice is also called unbundling. Its purpose of course, is for the provider to *push back* against the encroachment by third party payers which result from the application of reasonable and customary guidelines. Where the health care plan wishes, a *global* fee may be used in an attempt to control the unbundling. Rules with the global fee follow. Also suggested plan document language is offered. A reference to global fees should also be set forth in the booklet.

*Global Fees.* The components considered for inclusion and exclusion from the global fee would be as follows:

- Initial evaluations and consultations by surgeons to determine the need for surgery would *not* be included in the global fee. The plan would pay separately for these services.
- All normal preoperative visits would be included in the global fee (whether in or out of the hospital), but the surgeon would be paid separately for services actively rendered in the stabilization of the patient.
- Except in circumstances documented as highly unusual, any additional services provided because of complications after the surgery would be covered under the global fee.
- Post-operative visits up to 90 days after the surgery (or longer, in the case of certain procedures that require a longer period of recovery) would be included in the global fee.
- Post-operative services relating to minor surgeries occurring within 30 days of the date of the procedure would be included in the global fee. In addition, the plan would not pay separately for both a visit -and a *procedure* if the purpose of the visit is to have the procedure performed. The surgeon would have to show that the visit is unrelated to the procedure to receive reimbursement in addition to the global fee.

*Plan Document Language.* In applying reasonable and customary guidelines for surgical procedures, the global or one-fee covers all rule will be applied.

- Initial visits not included.
- Normal pre-operative visits are included.
- Post-operative visits, and related follow-up procedures are normally included.

## **Separated Surgical Procedures**

To establish a new benefit maximum, one of the following conditions must occur:

- Surgical procedure performed at the latest operative session is for a disease or injury not related to the condition which required the previous surgery.

- Patient has completely recovered from the condition (injury or disease) requiring the previous surgery.
- Patient has returned to active work and completed at least one full day of active service.
- Dependent has completely recovered (resumed activities) from the condition (injury or disease) requiring the previous surgery.

## **Dental Surgery**

Surgical benefit are paid in these circumstances:

- Damage to sound natural teeth or surrounding tissue caused by an accident.
- Certain specified surgeries such as abscesses, exostosis, impacted or unerupted teeth, ontogenic tumors.

Surgical benefits are not paid in these circumstances:

- Alveoplasty (alveolectomy) preparation of mouth for dentures
- Apicoectomy, with or without endodontic procedure
- Gingivectomy or gingivoplasty
- Graft, free, soft tissue
- Graft, osseous
- Graft, pedicle
- Hyperplastic tissue, excision
- Osseous surgery (including flap entry and closure)
- Ostectomy
- Root recovery (surgical recovery of residual root)
- Surgical exposure of impacted or unerupted tooth for orthodontic reasons.

## **Intravenous Drug Infusion**

Such procedure is not to be treated as a surgical expense.

## **Pre-Surgery Fee Setting**

The cost containment practice of pre-surgery fee setting has been reported to give successful results. It works as follows:

### Step No. 1

When a patient has been recommended for surgery, the patient calls the fourth party medical firm on a toll free telephone number. The firm then contacts the primary surgeon to determine the exact procedure and surgical fee. The patient is informed, based on the insurer's reimbursement schedule, about the exact amount of any out-of-pocket costs.

### Step No 2

The patient may agree to accept and pay the out-of-pocket costs or to have the firm negotiate the fee with the primary surgeon.

Step 3

In the event that the surgeon will not negotiate, the firm will provide a referral to a board-certified surgeon who has agreed to accept the reasonable and customary reimbursement allowance as payment in full.

Fairly significant cost savings have been reported. There are also other positives from the program.

Direct contact with the insured or insured's family has identified the availability of secondary insurance. This has sometimes reduced the payment liability of the employer, insurance or benefit fund or the patient's own out-of-pocket responsibility. Patients are becoming better consumers, having become better educated about physician costs and resources available to challenge these fees. Finally, physicians are made aware in advance of surgery of the extent of coverage held by their potential patients and need not agree to accept insurance assignment that is less than satisfactory compensation. The patient escapes from being caught in the middle between a surgeon's high fees and the insurance allowance benefit.