Coding Open Rotator Cuff Repair with Arthroscopic Decompression of Subacromial Space with Partial Acromioplasty: Appropriate Use of Modifier 59 Distinct Procedural Service

There has been much confusion regarding the appropriate coding of an arthroscopic decompression of the subacromial space with a partial acromioplasty when performed in conjunction with an open or mini-open rotator cuff repair on the same shoulder during the same operative session. These procedures are reported with CPT codes 23412 (rotator cuff repair) and 29826 (arthroscopic procedure).

The current CCI edits (version 14.2) list these two codes in the column 1/column 2 edit table with code 29826 being a component of the code 23412 with a modifier indicator of “1” for both physicians and hospitals. The current NCCI Policy Manual for Medicare Services Version 14.3 Chapter IV-11#20 includes the following instruction:

20. Most NCCI edits for codes describing procedures that may be performed on bilateral organs or structures (e.g., arms, eyes, kidneys, lungs) allow use of NCCI-associated modifiers (modifier indicator of “1”) because the two codes of the code pair edit may be reported if the two procedures are performed on contralateral organs or structures. Most of these code pairs should not be reported with NCCI-associated modifiers when the corresponding procedures are performed on the ipsilateral organ or structure unless there is a specific coding rationale to bypass the edit. The existence of the NCCI edit indicates that the two codes generally should not be reported together unless the two corresponding procedures are performed at two separate patient encounters or two separate anatomic sites. However, if the corresponding procedures are performed at the same patient encounter and in contiguous structures, NCCI-associated modifiers should generally not be utilized.

The facility confusion occurs due a Coding Clinic for HCPCS Volume 4, No 4 issued in 2004 Fourth Quarter. This Q & A states the following:

Question:

This patient with a torn rotator cuff and labrum tear was seen at our facility for an arthroscopy of the right shoulder with debridement of the rotator cuff tear and labrum tear. He also underwent a subacromial decompression followed by an open rotator cuff repair. What are the appropriate code assignment(s) for the procedures performed?
Answer:

Report code 23410, Repair of ruptured musculotendinous cuff (e.g. rotator cuff) open; acute for the open rotator cuff repair. Code 29826, Arthroscopy, shoulder, surgical; decompression of subacromial space with partial acromioplasty, with or without coracoacromial release, for the arthroscopy with subacromial decompression procedure performed. Modifier 59 should be appended to the second code to bypass any edits. The debridement would be integral to the open procedure performed and is not coded.

This information appears to be in direct conflict with the instructions provided by the NCCI Edits Manual. In an attempt to obtain clarification of the accurate coding for these two procedures when performed in combination at the same operative session on the same shoulder, HIP requested an opinion from Niles Rosen, MD, Medical Director of the National Correct Coding Initiative a CMS contractor.

Dr. Rosen responded with the following information:

“I thank you for your letter dated August 18, 2008 in which you inquire about the National Correct Coding Initiative (NCCI) edit with column one CPT code 23412 (repair of ruptured musculotendinous cuff . . .) and column two CPT code 29826 (arthroscopy, shoulder, surgical; decompression of subacromial space . . .). We discussed your letter with CMS (Centers for Medicare and Medicaid Services) which owns NCCI and makes all decisions about its contents.

The edit has a modifier indicator of “1”, and your interpretation of its meaning is correct. For Medicare claims, the two procedures should not be reported with an NCCI-associated modifier if they are performed on the ipsilateral shoulder joint unless the two procedures are performed at separate patient encounters on the same date of service which is highly unlikely. If the two procedures are performed on contralateral shoulder joints, it would be appropriate to report both codes utilizing NCCI-associated modifiers.

CMS and we hope that this information is helpful to you and your clients.”

Consequently for Medicare claims, it would not be appropriate to report the combination of codes 23412 and 29826 with modifier 59 Distinct Procedural Service appended unless as noted above these two procedures were performed at separate patient encounters or on contralateral shoulders at the same operative session.