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Transitional Care Management

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In 2013, the Centers for Medicare and Medicaid Services (CMS) introduced new Transitional Care Management (TCM) billing codes (99495, 99496) as a way to better compensate outpatient primary care providers (PCPs) and their teams for managing care transitions after patients are discharged from hospitals.[1] Early analysis of TCM has been favorable. In the first three years these codes were available, patients who received TCM services had significantly lower mortality, readmissions, and healthcare costs compared to those who did not, although uptake was low.[2] Since the creation of these codes, CMS has worked to remove barriers to use. However, there remains confusion about what specifically is required to bill for TCM services. This issue brief provides guidance for PCPs and other ambulatory care providers interested in incorporating these codes into their practice.

What is Transitional Care Management?

The intent of TCM is to increase payment for a package of ambulatory services within a 30-day period after discharge. The TCM codes, 99495 and 99496 are reimbursed at a substantially higher rate than traditional evaluation and management (E&M) outpatient visit codes. The difference between 99495 and 99496 relates to documentation of decision-making complexity and timing after discharge. In order for a PCP to bill for a TCM visit when they see a recently discharged patient, the following components must be present:

1. **Direct, telephone or electronic contact** between the patient and a qualified member of the outpatient care team within 2 business days of discharge. Licensed clinical staff can perform this service incident to general supervision of a physician or qualified healthcare professional. This contact can serve to address medical and/or psychosocial concerns post-discharge, care coordination, and review discharge information.

2. **A face-to-face appointment** (office, home-based or telehealth) with at least moderate complexity medical decision making within 14 calendar days of

discharge (99495) or high complexity within 7 days (99496) focused in review of hospitalization and management of care post-discharge.

3. **Medication reconciliation** must be completed by date of face-to-face visit.

TCM Service Eligibility

	Eligible for TCM Services	**Ineligible for TCM Services**
Discharge from	Inpatient acute care, psychiatric hospital, observation stay, partial hospitalization, long term care hospital, skilled nursing facility (SNF), inpatient rehabilitation facility	Emergency department
Discharge to	Home, adult family home, assisted living facility	SNF
Healthcare utilization	No hospital readmission within 30 days of initial discharge	Hospital readmission within 30 days of initial discharge
Payer	Medicare, some commercial insurance	Washington state Medicaid, some commercial insurance

CY 2020 Policy Updates

TCM was designed to reimburse for the longitudinal clinical activities that support patients discharging from the hospital. Since the initiation of TCM codes in 2013, CMS has continued to iterate policy based on health system and provider feedback. The CY2020 Physician Fee Schedule increases reimbursement rates for both 99495 and 99496 to 2.36 and 3.11 work relative value units (wRVUs), respectively. Additionally, TCM codes now may be used with fourteen additional Healthcare Common Procedure Coding System (HCPCS) codes that previously were felt to be overlapping services, including hospice care (G0182) and home care with care plan oversight (G0181). The final rule also allows for TCM to be billed in concurrent periods as CCM codes 99490 and 99491.

More research is needed to understand how the TCM codes affect patient care and to understand barriers to implementation, in order to both improve patient care and ensure primary care and other ambulatory care teams are receiving reimbursement for the important cognitive and administrative work they do when a patient is discharged.

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References

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2. Bindman AB, Cox DF. Changes in Health Care Costs and Mortality Associated With Transitional Care Management Services After a Discharge Among Medicare Beneficiaries. JAMA Intern Med. 2018 Sep 1;178(9):1165-1171.
3. CY2020 Physician Fee Schedule Final Rule. Centers for Medicare and Medicaid Services. 11/01/2019. https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices-Items/CMS-1715-F.html. Accessed 11/6/19.