

# Coding for Medication Therapy Management Services

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Different practical issues surround the implementation of medication therapy management (MTM) services and subsequent payment in community pharmacy, long-term or home care, and institutional practice settings. This article delves into the new codes for MTM services, why they were issued, and their reimbursement issues.

## New MTM Codes

New CPT category III codes 0115T–0117T enable state-licensed pharmacists to report medication therapy management services. The new MTM codes are 0115T, Initial face-to-face assessment or intervention with the patient, 1–15 minutes; 0116T, Subsequent face-to-face assessment or intervention with the patient, 1–15 minutes; and 0117T, Each additional 15 minutes spent face-to-face with the patient, an add-on code.

In addition to the new service codes, a new place of service code, 01 Pharmacy, has been added. This is defined as a “facility or location where drugs and other medically related items are sold, dispensed, or otherwise provided directly to patients.” This code went into effect October 1, 2005.

All HIPAA requirements must be adhered to when MTM services are provided. A pharmacist whose time is devoted to the patient during this service must provide the pharmacy site services in a private or semiprivate area. MTM services typically are provided by appointment, but may be provided on a walk-in basis.

## Reimbursement Challenges

The issuance of these codes is part of the implementation of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which specifies that a part D provider “shall have in place, directly or through appropriate arrangements, with respect to covered part D drugs...a medication therapy management program.”<sup>1</sup> The act requires that the program be developed with licensed practicing pharmacists and physicians. Under the part D program, reimbursement is provided for MTM services to beneficiaries with multiple chronic illnesses, on multiple medications, and for those who are likely to incur high drug expenses (defined as an annual expenditure of \$4,000 on part D drugs).

Just as with all other CPT, HCPCS level II, and ICD-9-CM codes, the mere existence of a code does not guarantee that payers will reimburse the services it represents. Category III codes are particularly problematic because many payers consider them experimental or investigative procedures. Some Medicare contractors issue categorical noncoverage statements regarding these codes; some payers may require that pharmacists report evaluation and management codes (99201–99215 for outpatient services) instead.

Category III codes do not have relative values established by the American Medical Association Resource Based Relative Value Update Committee, which establishes the relative value of each new category I code on a continuum of relative values. The Centers for Medicare and Medicaid Services use the relative value unit to establish the reimbursement under the Resource Based Relative Value System, in which a dollar amount (conversion factor) is multiplied by the relative value to determine the reimbursement. No such process exists for category III codes.

Individual payers, however, may establish reimbursements for their contracting providers. The Ohio Bureau for Children with Medical Handicaps was the first organization to establish compensation rates for these services and coverage guidelines for management of medications of children with severe asthma. Its reimbursement is approximately \$2 per minute.<sup>2</sup>

## Category III Codes

Category III codes are recognizable by their alphanumeric format—four numbers and the letter T in the fifth position. They are considered temporary codes, developed in part to track use of these specific services. They are archived after five years unless they have been converted to category I codes. These codes have been described as enhanced unlisted procedure codes.

### **The MTM Codes**

The MTM codes are entirely time-based, and the complexity of information exchanged is not relevant, except as it is reflected in more time being consumed for more complex discussions. This differs from professional evaluation and management service coding, in which the level of code assignment is based upon the documentation of history, examination, and medical decision making.

The pharmacist's intervention need not be ordered by a physician. It may be initiated by the patient, a patient caregiver, payer, physician, pharmacist, or other healthcare provider. The types of documentation pharmacists should provide include evidence of review of the patient's current medication regimen and assessment of compliance. Time spent in communication with other healthcare providers (e.g., the patient's attending physician) could also be included.

### **Pharmacist Billing**

Clinic-based pharmacists, usually associated with hospitals or large group practices, have been using evaluation and management codes without incident for several years, especially in oncology and anticoagulation clinic settings. Such programs are associated primarily with major teaching facilities. Although there are significant numbers of such programs, there are no official documentation requirements for what must be included in medication management.

In addition, community-based pharmacists have developed some programs for chronic diseases such as hypertension, diabetes mellitus, and asthma. In Iowa, a group of community-based pharmacists formed Outcomes Pharmaceutical Health Care LLC, which has been instrumental in using computer technology to improve delivery and documentation of MTM services. The group developed a documentation system for pharmacists to access via the Internet. Since its inception in 1999, the group has grown from the initial 25 Iowa pharmacists to a network of about 4,000 pharmacists nationwide.

### **What Are MTM Services?**

MTM services include professional activities such as:

- Education and training of patients on administration and effects of medications
- Assessment of the patient's health status
- Monitoring of medication compliance
- Therapy modification as appropriate
- Medication administration
- Formulation of treatment or follow-up plan
- Management of medication problems or complications
- Evaluation of the patient's understanding of medication management
- Coordination and integration of medication management services

Patients who are deemed most likely to benefit from MTM interventions are those who:

- Receive medications from more than one prescriber
- Are on four or more chronic medications
- Have at least one chronic disease
- Have laboratory values outside the normal range that could be improved with medication therapy

- Have demonstrated noncompliance with medication regimens for more than three months
- Have issues of limited health literacy or cultural differences
- Have total monthly medication outlay exceeding \$200
- Have been discharged from a hospital or skilled nursing facility within 14 days on a new medication regimen<sup>1</sup>

**Note**

1. American Pharmacists Association and the National Association of Chain Drug Stores Foundation. "Medication Therapy Management in Community Pharmacy Practice: Core Elements of an MTM Service." April 29, 2005. Available online at [www.aphanet.org](http://www.aphanet.org).

In response to the implementation of the Medicare Plan D Drug Benefit, the Outcomes Pharmaceutical network is offering Medicare prescription drug programs and Medicare advantage plans, an MTM system that includes provider training, electronic claims, covered services menu, fee schedule, quality assurance, network management, provider report cards, and data management and reporting.<sup>3</sup>

In long-term care, congregate home care, and assisted living settings, pharmacists face particular challenges. The American Society of Consultant Pharmacists serves this population. Although they would seem to be ideally positioned to implement the MTM program—since they already provide or are readily accessible to the seniors living in geriatric facilities—because of nuances in financing laws or regulations their services most likely are not covered. Long-term, rehabilitation, and home care settings are traditionally provided the least amount of funding despite the well-established cost savings versus acute care hospital stay provided services. State and federal agencies have promised to review incentives for various nonacute care services that provide cost benefits, including MTM, as part of their review of the MMA implementation.

**A New Model for MTM Services**

The American Pharmacists Association and the National Association of Chain Drug Stores Foundation have developed a model framework for implementing effective MTM services in a community pharmacy setting. The model contains sample forms that can be used to document the various interventions required by the MTM program.<sup>4</sup> This program is specifically designed for all patients, not just those covered by Medicare and Medicaid, although all forms meet the documentation requirements of those programs.

In the MTM in Community Pharmacy Practice program, patients typically meet with a pharmacist for an annual comprehensive medication therapy review and have additional visits throughout the year to address ongoing medication monitoring issues and event-based medication therapy problems. The number of visits is determined by the complexity of the patient's medication therapy problems. During the year, a significant event such as a hospital admission might necessitate an additional comprehensive medication therapy review.

**Notes**

1. "Medicare Prescription Drug, Improvement, and Modernization Act of 2003." Public Law 108-173. Available online at [www.cms.hhs.gov/medicareform/MMAactFullText.pdf](http://www.cms.hhs.gov/medicareform/MMAactFullText.pdf).
2. Reynolds, Bob. "Ohio Agency Ties MTM Services to New CPT Codes." *Pharmacy Today*. Available online at [www.pharmacist.com/articles/h\\_ts\\_0885.cfm](http://www.pharmacist.com/articles/h_ts_0885.cfm).
3. Gardyas, Joe. "Taking the Sting out of Rx Costs." The Des Moines Business Record Online. October 30, 2005. Available online at [www.apria.com/resources](http://www.apria.com/resources).
4. American Pharmacists Association and the National Association of Chain Drug Stores Foundation. "Medication Therapy Management in Community Pharmacy Practice." Available online at [www.aphanet.org](http://www.aphanet.org).

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