



CPT® Category III Codes: The First Ten Years

(An excerpt from the May 2009 CPT® Assistant)

The addition of the new Category III section was announced in the February 2001 issue of the CPT Assistant. Guidelines were presented, along with discussion of the “early release” of the ten Category III codes that were available for use January 1, 2001. Thus, the Category III codes were introduced in the CPT code set and were published for the first time in the 2002 CPT codebook. The introduction of the alphanumeric character was a departure from the Category I CPT codes. In the years since, the Category III codes continue to play an important role in the reporting of health care delivery as well as public and private payer policy. This article explains how and why the Category III codes evolved and the process for establishing, or archiving these codes, or converting them to Category I CPT codes.

CPT-5 Historical Perspective

To allow maximum participation of users and key stakeholders, the AMA began a project that used workgroups to assess the ability of CPT to address issues of clinical practice, data management, government, organized medicine, and coding. These workgroups examined such issues as 1) nonphysician coding for nonphysician professionals; 2) coding to facilitate the collection of data for quality measurement and public health research; 3) the elimination of ambiguity and the promotion of enhanced specificity in CPT code descriptors and guideline nomenclature for those codes that did not fall into the “unlisted” categories; 4) the development of a more uniform set of coding rules; 5) processes to allow greater participation from industry and private entities as well as efficient development of new descriptions of service; and 6) the development of new ways to maintain the CPT nomenclature, including enhanced databases and other new technologies.

The final recommendations of the workgroups were that the CPT process should:

- enhance the existing functionality of the CPT nomenclature;
- correct problem areas; and
- expand the codes and descriptors to accommodate emerging technology and services in the provision of health care.

The changes resulting from these recommendations preserved the core elements that defined CPT nomenclature as the language to communicate clinical information for administrative and financial purposes. These core elements included:

- descriptions of clinically recognized and generally accepted health care services;
- a five-character core with concept extenders (modifiers); and
- a mechanism for periodic review and updating.

The workgroups also recommended that CPT codes be tiered to accommodate inclusion of a tier of codes to report performance measures, and a tier of codes to report emerging technology, services, and procedures. This structure would serve to extend the functionality of CPT nomenclature without significantly altering the current structure and payment focus, and would also address the needs of data reporting. These new code types, Category II and Category III, were placed after the Medicine section in the CPT codebook and before Appendix A, and remain there today.



Comparison: Category I Versus Category III Codes

Category III CPT codes are a set of temporary codes for emerging technology, services, and procedures. These codes are intended to be used to track the usage of these services, and the data collected may be used to substantiate widespread usage in the Food and Drug Administration (FDA) approval process. However, Category III codes are not given an automatic designation for services or procedures, as the CPT Editorial Panel determined that they did not meet the requirements for a Category I code.

Category I CPT codes are restricted to clinically recognized and generally accepted services, and not emerging technologies, services, and procedures. Category III CPT codes are not required to conform to the CPT Category I code requirements but instead are for reporting services or procedures that must have a relevance for research, either ongoing or planned, or the need to be tracked to evaluate the frequency of use.

Another important consideration in the development of Category III codes was the elimination of local codes under the Health Information Portability and Accountability Act (HIPAA). The local codes were temporary codes used by third-party payers as a mechanism to identify services and supplies such as services and procedures that had not yet been substantiated through research. Thus, Category III codes have, in part, taken the place of these local codes.

As with Category I CPT codes, inclusion of a descriptor and its associated code number in CPT nomenclature does not represent endorsement by the AMA of any particular diagnostic or therapeutic procedure or service. Additionally, inclusion or exclusion of a procedure or service does not imply any health insurance coverage or reimbursement policy.

To expedite the availability of CPT Category III codes and to reflect the need to more quickly establish tracking mechanisms, the new CPT Category III codes are released semiannually via electronic distribution on the AMA CPT Web site (www.ama-assn.org/go/cpt). The codes are effective six months after they are first posted. (Category III codes that are posted in July become effective the following January 1, and Category III codes that are posted in January become effective the following July 1.)

The full set of Category III codes is then included in the next published edition of the CPT codebook for that CPT cycle. Such an early release is possible for Category III codes because the codes are not reviewed by the Relative Value Update Committee (RUC) for valuation by the Centers for Medicare and Medicaid Services (CMS). The AMA's CPT Web site features updates of the CPT Editorial Panel actions and early release of the Category III codes on July 1 and January 1 in each CPT cycle.

Coding Tip

The dates for early release correspond with the CPT Editorial Panel meetings for each CPT cycle. February and June Panel actions are posted in July, to be effective in the following January. October actions are posted in January to be effective in the next January posting.



Conversion from Category III to Category I Code Status

According to the CPT process, Category III codes are to be archived five years from the date of publication in the CPT codebook, if the Category III code has not been accepted for placement in the Category I section of CPT. Should it be demonstrated that a Category III code is still needed, it will be retained. The publication date is the date the information is printed in the CPT codebook, not the date it appears on the AMA Web site. To avoid archiving of the code, requestors of Category III codes who believe that the service should be converted to a Category I code or be retained as a Category III code, must make a request to that effect in advance of the code being scheduled for archiving. CPT notifies the original requestor of the impending expiration. A proposal is submitted which may request conversion of the Category III code to a Category I code, or request extension of the code with Category III status. There is no requirement that a code be a Category III code for a specified duration of time. The requestor may ask that the Category III code be converted to a Category I code or be cancelled. A code status change to a Category I codes can be submitted provided the code is already effective. A request prior to the Category III code becoming effective would actually be an appeal of the Panel designation, and would not require a conversion.

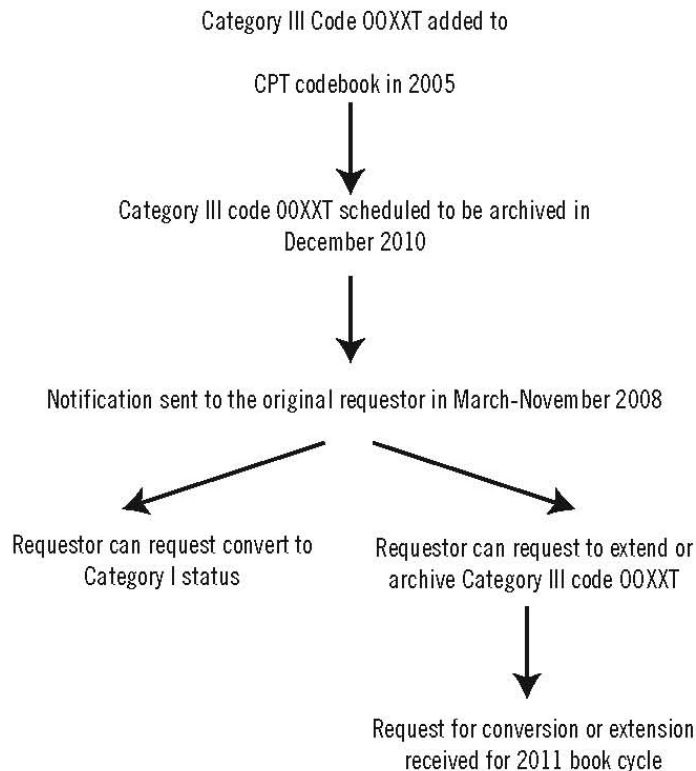
When requesting an extension of Category III status, the requestor must provide the necessary rationale to demonstrate the continued need for a Category III code.

A specialty society or industry representative may request, via submission of a CPT Code Change Request form, extension of Category III status. The request rationale must demonstrate the continued need for a Category III code and list the Category I criteria that the code in question does not meet for conversion to a Category I code. Approval by the Panel for extension of the Category III status will be for five years. At that time it may be possible to submit a code for further extension. If the extension is requested by a party other than the original sponsor, subsequent notifications of expiration will be sent to the party who sponsored the extension. There is no limit to the number of extensions that may be requested. To date, the Panel has not yet experienced a request for a second five-year extension, but the need for tracking a service as an emerging technology over more than a ten-year period would need to be justified.

To aid in understanding the process for conversion or extension, following is an example for codes that need to be considered in the current 2011 cycle.

- Category III code 00XXT was added to the CPT codebook in 2005.
- Category III code 00XXT is scheduled to be archived after December 2010.
- Notification was sent to the original requestor in March-November 2008 about the archival schedules and the need to request Panel action for extension/conversion.
- The requestor had three options: (1) submit a request to convert to Category I status, (2) submit a request to extend or archive Category III code 00XXT, or (3) do nothing and the code will be archived.
- A request for conversion or extension must be received prior to the deadline for the 2011 CPT codebook. The actual schedules are published each year on the AMA CPT Web site.
- All codes that are scheduled to be archived are automatically reviewed at the June Panel meeting, and the anticipated archiving is reviewed, leaving the next two meetings as the final opportunities for submittal of code change proposals.

Category III Process



Category I Criteria

Category I CPT codes describe a procedure or service identified with a five-digit numeric CPT code and descriptor nomenclature based on the procedure being consistent with contemporary medical practice and being performed by many physicians in clinical practice in multiple locations. Additionally, the Editorial Panel requires that all of the following be met:

- the service or procedure has received approval from the FDA for the specific use of devices or drugs (provided FDA approval would be required);
- the suggested procedure or service is a distinct service performed by many physicians or practitioners across the United States;
- the clinical efficacy of the service or procedure is well established and documented in US peer-reviewed literature;
- the suggested service or procedure is neither a fragmentation of an existing procedure or service, nor currently reportable by one or more existing codes; and
- the suggested service or procedure is not requested as a means to report extraordinary circumstances related to the performance of procedures or services that already have a specific CPT code.



Category III Criteria

The Editorial Panel has established the following criteria as the basis for evaluating Category III code requests. Only one criterion needs to be met:

- a protocol for a study of procedures being performed;
- support from the specialties who would use the procedure;
- availability of US peer-reviewed literature; or
- descriptions of current US trials outlining the efficacy of the procedure.

Summary

Category III code deletions are not indicated on the Web site until they are deleted from the book, and at that time all parenthetical notes referring to the Category III code in the main sections of CPT are also deleted. Some other key points are outlined below.

- Category III codes must have relevance for research or tracking, either ongoing or planned.
- The CPT Editorial Panel may vote to convert or extend a Category III code based on specialty society and/or industry input.
- The CPT Editorial Panel might recommend two methods of extension when determining archive status: (1) extension via submitted application; and (2) allowance of extension by recommendation of the Panel.
- If a Category III code that accurately describes the procedure or service performed is available, this code must be reported instead of a Category I unlisted code.
- Unlisted codes have been added to the reference parenthetical notes for only those deleted Category III codes for which there is no Category I code created.
- Utilization alone is not sufficient for extension or conversion, rather the code must meet Category I criteria for conversion or continue to meet Category III criteria for extension.