Consult vs. Referral: Do You Know the Difference?

A family practitioner asks you, a cardiologist, to evaluate a patient who has arrhythmia. You see the patient, prescribe a beta blocker, report your findings to the family practitioner and ask the patient to schedule a follow-up visit.

Quick: Was that a referral or a consultation? If you’re not sure of the distinction, or why it matters, you’re not alone. A great many physicians use the terms interchangeably, but they shouldn’t. Incorrect terminology can cause improper coding — and, thus, improper payment.

So what is the difference?
The underlying difference between a consultation and a referral is the intent of the visit. If the family practitioner expects you to provide only your opinion on the best course of treatment for the arrhythmia, it’s a consult even if you prescribe medication. If, on the other hand, the family practitioner knows the patient’s arrhythmia will require treatment beyond his or her scope of care and expects you to take over treatment of that condition, it’s a referral.

Why does it matter?
The fees for consultations are higher than those for referrals, which are reported using new patient, or evaluation and management, codes. More important, though, is that a consultation implies that one physician retains control of overall care of his or her patients.

Amazingly, the American Academy of Family Physicians reported in 2007 that about 40% of people between ages 50 and 69 see more than one physician, and roughly 25% of them don’t know which physician is managing their care.

Can you count the Rs?
It can be difficult for even experienced coders to distinguish between a referral and a consultation, because there are so many variables. Basically, you’re doing a consultation if:
1. Another physician or appropriate source requests your services,
2. The reason for the request is documented in writing, and
3. You provide the requesting physician a written report on your findings.

If you and another physician share records, the request may be documented in the requesting physician’s progress notes, as an order in the medical record or as a separate written request. If you don’t share records, you and the other physician may use a consultation request form for convenience and document the request separately. Additionally, if you’re the consulting physician, you must provide the requesting physician with a written report on findings, treatment recommendations and any therapeutic interventions that you may have started or completed.

So, if a patient finds you on the Internet or the requesting physician just gives the patient your name and telephone number, and thus there’s no written order for the consultation — or if there’s no written report of the results — the visit doesn’t qualify as a consultation.

Who’s in charge?
Sometimes a physician will refer a patient to a specialist with the expectation that the specialist will take charge of one or more of the patient’s conditions. Let’s say, for example, a patient visits her internist’s office because she injured her arm in a fall. The internist diagnoses a fracture and refers her to an orthopedic surgeon for casting or surgery. The internist doesn’t expect to be responsible for treating the broken arm. Therefore, the orthopedic surgeon must bill the visit as a referral rather than a consultation.

A bit of advice: Choose your words wisely when writing reports or charting. CPT® codes have specific guidelines, and “referral” indicates a transfer of care. You shouldn’t say Dr. X referred a patient to you unless you’re taking over some or all of that patient’s care. Instead, say Dr. X requested your opinion or asked you to evaluate a patient.

Get it right
Coding for consultations vs. referrals continues to confuse many doctors. Some are overly cautious, coding everything as a referral, or as a new patient visit. But they’re losing money in the long run because consultations pay more. Talk with your CPA or health care advisor. He or she can help you avoid coding problems and get all the payments you’re entitled to.

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