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QUESTION: What is LACRIFILL®?

ANSWER: [LACRIFILL](#) is a cross-linked variant of hyaluronic acid gel that is injected into the lacrimal canaliculi to increase tear retention in patients with dry eye disease who have insufficient tear volume. This product is [cleared by the FDA](#) and classified as a punctal plug.

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QUESTION: Does Medicare cover punctal occlusion by plug?

ANSWER: Yes, when medically necessary which requires adherence to the [TFOS Dry Eye Workshop II guidelines](#) and the [AAO's Preferred Practice Pattern \(PPP\)](#) for treating dry eye disease. The PPP says, "For patients with aqueous tear deficiency, punctal occlusion is considered when the medical means of aqueous enhancement are ineffective or impractical."

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QUESTION: What documentation is required in the chart to support medical necessity for this service?

ANSWER: Medicare expects that a surgical procedure will not be performed as an initial treatment for dry eyes. The chart should include documentation that other less invasive therapies were unsuccessful or contraindicated. When the need for a repeat plug occurs, medical necessity must be present for each insertion.

As with any surgical procedure, the patient's informed consent is obtained. An appropriate operative report should be in the medical record; this includes any preparatory drops, which puncta were occluded, and a description of the brand and lot number of the plugs. Postoperative instructions should also be noted.

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QUESTION: How do we code for punctal occlusion with LACRIFILL on the claim form?

ANSWER: Use 68761 (*Closure of lacrimal punctum; by plug, each*) to describe the professional service. The CPT code makes no distinction between types or brands of punctal plugs.

Medicare has assigned "E" modifiers to indicate which eyelid was treated. E1 for left upper lid, E2 for left lower lid, E3 for right upper lid, and E4 for right lower lid. Many other third-party payors do not recognize these modifiers but will accept RT (right eye) and LT (left eye) on the claim. Bilateral services may be reported as 68761-50. Your ICD-10 diagnosis code(s) will indicate the eye(s) treated.

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QUESTION: May we charge for an exam on the same day as the procedure?

ANSWER: Sometimes. Punctal occlusion by plug is a minor surgical procedure with a 10-day global period. Minor surgical procedures include the visit on the day of surgery in the global surgery package unless there is a separate and identifiable reason for the visit, usually a separate disease.

When a visit is billable, modifier 25 is appended to the visit code. Modifier 25 indicates that the patient's condition required an additional E/M service beyond the usual preoperative care provided for the procedure or service. CPT adds that "This [25] modifier is not used to report an E/M service that resulted in a decision to perform surgery." This is very different from an exam that determines the need for a major procedure with a 90-day global period.

March 25, 2024

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QUESTION: What is the Medicare reimbursement to the physician for 68761?

ANSWER: In 2024, the national Medicare Physician Fee Schedule allowable for in-office procedures is \$143; it is reduced to \$114 in a facility (e.g., ASC or HOPD). These amounts are adjusted by local wage indices. There is no separate payment for the supply of LACRIFILL.

When two puncta are occluded at the same session, multiple surgery rules apply. The first procedure is allowed at 100% and the second at 50%. If a third and fourth puncta are also occluded at the same session, the [MCPM Chapter 12 §40.6.C16](#) states, *“If any of the multiple surgeries are bilateral surgeries, consider the bilateral procedure at 150 percent as one payment amount, rank this with the remaining procedures, and apply the appropriate multiple surgery reductions.”* The effect of this approach reduces payment for the third and fourth puncta to 37.5% of the allowed amount for each procedure.

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QUESTION: How frequently is this procedure performed?

ANSWER: Over many years, CMS data shows that 68761 was associated with about 2% of all office visits. That is, for every 100 exams for Medicare beneficiaries, Medicare paid for this service twice. Higher utilization rates than average usually elicit (unwanted) scrutiny from payors.

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QUESTION: What if we need to explant LACRIFILL?

ANSWER: In rare cases, punctal occlusion may contribute to even greater patient discomfort and epiphora than was present prior to the procedure. Dislodging an intracanalicular plug, such as LACRIFILL, may be accomplished by irrigating the lacrimal system with saline. Use CPT code 68840 (*Probing of lacrimal canaliculi, with or without irrigation*) to report this procedure.

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QUESTION: Is there a facility fee if the procedure is performed in an ASC or HOPD?

ANSWER: Yes. Punctal occlusion by plug is assigned to APC code 5501. The 2024 ASC facility allowable for 68761 is \$94; the HOPD rate is \$278. Multiple surgery rules apply so the second and any subsequent procedures are allowed at a reduced rate. Even though there is a facility fee, this procedure is rarely performed in that setting.

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