

Dermatology Coding Alert

Compliance: E/M Errors Top Medicare's List of Improperly Billed Codes in 2012

CERT results reveal \$29.6 billion in improper Medicare payments □ \$1.1 billion of which was underpaid.

If your practice's collections rate was off by 8.5 percent, you'd be in big trouble, right? Well, that's the 2012 Medicare Fee-for-Service improper payment rate, and your MAC may come looking for money you still owe to them.

CMS's new Comprehensive Error Rate Testing (CERT) results, which were released on Sept. 9, show that practices actually made fewer errors in 2012 than in the previous year (2011's error rate was 8.6 percent). Most of the errors were discovered as overpayments □ meaning that CMS identified \$28.5 billion that went out to Medicare providers in error, and chances are high that MACs will be asking for much of that money back, if they haven't already. In addition, CMS noted that it still owes \$1.1 billion to providers who were underpaid in 2012.

To create the CERT report, CMS reviewed 43,492 claims, including Part B, Part A and DME, according to the "Medicare Fee-for-Service 2012 Improper Payment Report." Auditors then pored over the claims to determine which had no documentation, insufficient documentation, incorrect coding, or reflected a medically unnecessary service.

Documentation: Surprisingly, Part B practices had a significantly higher error rate than Part A providers, with Part B facing a 9.9 percent error rate as compared to 5.7 percent in Part A. Only durable medical equipment (DME) providers had a higher error rate, logging a 66 percent improper payment rate.

Incorrect coding: Part B providers rated the highest among incorrect coding errors, with a 0.8 percent error rate, which topped the Part A and DME rates. Not all of these errors reflected overpayments to practices □ in some cases, doctors actually shorted themselves by coding incorrectly.

Avoid These E/M Errors

Interested in avoiding the most common culprits that led to such a high Part B error rate? Then you should nail down your E/M claims going forward.

E/M Claims: CMS found that providers improperly billed \$4.2 billion in E/M claims, resulting in a 14.0 percent improper E/M payment rate. If you want to avoid that type of error □ which will most certainly result in auditors requesting refunds □ double-check your E/M level. "Most of the improper payments for E/M services were due to incorrect coding and insufficient documentation errors," the CERT report states.

Often, the errors were due to practices submitting documentation that supported a different E/M level than what was billed. Other issues included insufficient documentation, no physician authentication, or wrong place of service.

Split/shared services: The CERT auditors also found a large number of errors when reviewing split/shared E/M services. "The split/shared E/M visit applies only to selected E/M visits and settings may be billed under the physician's NPI if it meets the definition of a split/shared visit and meets all other requirements," the CERT report states. "The most common cause of improper payments for these claim types was insufficient documentation errors."

Overall, the following types of E/M services had the highest Part B error rates, according to the CERT report:

Service Error Rate

Initial hospital visit: 26.9%

Critical care visit: 26.3%

New patient office visits: 18.6%

Established patient office visits: 9.3%

Emergency room visit: 9.3%

California, New York Top Error List

Geographically, New York was the state with the highest percentage of errors, logging a 12.6 percent error rate. Next was Ohio (12.2 percent error rate), followed by California (10.6 percent), Tennessee (10.1 percent), and Texas (9.5 percent).

To read the complete CERT results, visit

<http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/CERT/Downloads/MedicareFeeForService2012ImproperPaymentsReport.pdf>.