

Dermatology Coding Alert

Ordering/Referring: 6 Steps Help You Reduce PECOS Edit Losses

Tip: Check your current referring info to avert financial crisis in May.

You'd better get your ordering/referring physician info right the first time around under PECOS edits, or you'll pay a steep price.

Phase 2 of PECOS edits hits May 1, and they'll slap you with costly denials as opposed to less burdensome returned claims when you have invalid ordering/referring physician information. The system will deny claims when the doctor isn't in the Provider Enrollment, Chain, and Ownership System (PECOS) file or when the name doesn't match.

Smart practices will take these six steps to minimize cash flow delays and financial losses due to PECOS edit denials:

1. Check and recheck. CMS posts a "Medicare Ordering and Referring File" on its website with the full list of "the National Provider Identifier (NPI) and legal name (last name, first name) of all physicians and non-physician practitioners who are of a type/specialty that is legally eligible to order and refer in the Medicare program and who have current enrollment records in Medicare (i.e., they have enrollment records in PECOS)," CMS explains on the site. The website is at www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/MedicareOrderingandReferring.html. CMS updates the report weekly, it says in newly revised MLN Matters article SE1305.

"Most of the clients I work with try to stay on top of this," says **Rick Ingber** with **Vanta-Health Consulting** in Plymouth Meeting, Pa. But the years have worn on with no PECOS edit phase 2 implementation, so some providers may have let physician PECOS checks fall to the bottom of their to-do list. "I routinely remind them that the day would come when this requirement would be enforced," says Ingber.

Now is the time to step up PECOS file checking. Pay attention to which physicians are sending referrals and ordering services and verifying that those physicians are eligible to do so and are currently enrolled in PECOS.

The claims denials generated by the edits should be ample motivation. You need to be proactive in verifying this information in advance of billing so that claims don't get denied.

2. Spur enrollment. If you find your docs don't have a record in PECOS, you'll need to get them to enroll in it or you won't be able to get paid.

Resource: Links to educational Medicare articles about enrolling in PECOS are in the "Additional Information" section at the end of the MLN Matters article at www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE1305.pdf.

3. Match the PECOS file exactly. If your claim calls a physician "Jack" and he's listed as "John" in the PECOS file, it will get shot down. Also, don't use credentials such as "Dr." in the name field, CMS advises.

Tip: On paper claims, be sure to list first name first and last name last in item 17.

Don't let software differences trigger unnecessary edits. Make sure that the physician information that is on file in the providers' software systems and is being coded on the claim for enrolled physicians matches the PECOS information,

including both the NPI and physician name.

4. Use the right NPI. "Ensure that the name and the NPI you enter for the Ordering/Referring Provider belong to a physician or non-physician practitioner and not to an organization, such as a group practice that employs the physician or non-physician practitioner who generated the order or referral," CMS instructs.

5. Know the rules for exceptions. Use the teaching physician's information for interns and residents, CMS directs. The exception is for docs in states that license their residents. They may enroll in PECOS on their own.

Department of Veterans Affairs, Public Health Service, and Department of Defense/Tricare physicians do not get an exemption from PECOS. "These physicians and non-physician practitioners will need to enroll in Medicare in order to continue to order or refer items or services for Medicare beneficiaries," CMS tells providers in the MLN Matters article.

6. Check current RAs and take action. You can get an idea of what your denial rate will be by checking out your current remittance advices. You may not have noticed PECOS edit-related messages because the claims still process. But the system includes code N272 Missing/incomplete/invalid other payer attending provider identifier when the claim fails the edit.

If any of your claims are being paid with remark code N272, then this is a clear indication there is a problem with the physician information coded on the claim compared to the physician information on file in PECOS.

Act now to avoid problems when your reimbursement is at stake. These issues need to be resolved as soon as possible to avoid problems after May 1.