# Internal Medicine Coding Alert

## Billing Errors: Top 5 Errors Usually Made by Payer -- Know How You Can Avoid Making the Same Mistakes

Did you catch a miscoded service today before sending out a claim? You just missed making one of the biggest errors that Medicaid payers see.

That's the word from one Medicaid payer's study of the most common errors submitted by medical practices. The "Medi-Cal Payment Error Study" researched the biggest errors submitted to California's Medicaid program in 2009, and found only a 5.45 percent error rate. Although that rate sounds fairly low, it represented over $1 billion in inappropriately paid claims.

Physician claims were responsible for over 29 percent of the errors, with the following five areas representing the most common problems.

### Coding Errors

In these situations, an incorrect code was reported for the service, either via upcoding, downcoding, or miscoding. The Medi-Cal study found that physicians made this type of error more often than any other, comprising 49 percent of all physician errors.

For example: A provider reports 99245 (Office consultation for a new or established patient, which requires these 3 key components...). The history that the physician documents simply says "unremarkable," followed by the phrase "problem-focused examination of the abdomen." The medical decision-making is of low complexity, leading the reviewers to downcode this visit to 99241.

### Insufficient Documentation

In these situations, the medical records do not substantiate whether the service or product was medically necessary. This was the second most common type of physician error in the Medi-Cal study, representing 25 percent of the errors found.

Example: The documentation includes the phrase "office visit for dermatitis recheck." The record lacks a date of service, an explanation of any exam performed or history of present illness, or any other details. Therefore, the reviewer marks this claim as non-payable since it is lacking even basic documentation to demonstrate anything that the physician did.

### Medical Necessity Errors

In these situations, the patient receives a service or product, but does not have a medical need for it. Physicians made this error in 11 percent of the cases, Medi-Cal found.

### Policy Violation

Under these circumstances, the provider committed a misuse of the Medicaid provider's policy. This area included 10 percent of the errors found by California Medicaid.

Example: The physician provided an E/M service via the telephone and reported 99442 (Telephone evaluation and management service provided by a physician to an established patient, parent, or guardian not originating from a related E/M service provided within the previous 7 days nor leading to an E/M service or procedure within the next 24 hours or soonest available appointment; 11-20 minutes of medical discussion). However, the Medicaid payer's policy

does not allow for payment of these services, so the charge was inappropriately reimbursed to the practice despite the fact that the policy prohibits service for such visits.

**'Other' Errors**

Issues that don't fit into other categories, such as a missing signature or the patient is ineligible for benefits, were also found by reviewers. Five percent of the errors in the study fit into this category.

Why is this important to you? Your state could be following suit and evaluating inappropriately paid services. If you are found to have been incorrectly reimbursed for a Medicaid service, you'll have to refund that money to Medicaid.

According to the National Association of Medicaid Fraud Control Units' website, "Under federal law, each state must have a [Medicaid Fraud Control] Unit unless the state demonstrates to the satisfaction of the Secretary of the Department of Health and Human Services that a Unit would not be cost effective because minimal fraud exists in the state's Medicaid program and Medicaid beneficiaries will be protected from abuse and neglect."

To read the complete Medi-Cal report, visit www.dhcs.ca.gov/formsandpubs/publications/Documents/ANI_MPES_2009.pdf , or check your state Medicaid payer's website to determine the top errors in your region.