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Internal Medicine Coding Alert

Black Box Culprit for Denials for a Dipstick Urinalysis and E/M Service on the Same Day?

Several internal medicine offices have recently reported problems receiving reimbursement for a dipstick urinalysis (81002, urinalysis non-automated, without microscopy) reported with an E/M code. Readers report that some payers are reimbursing the E/M code and not the 81002, while others are paying for the lab test and not the E/M code for the office visit.

The most likely reason, say many billing experts, may be the proprietary black box edits included in Medicares Correct Coding Initiative (CCI). Many carriers, and some private payers, are now considering the urine dip to be included in the E/M service, reports **Kathy Palmerton, CPC,** practice management consultant with the Healthcare Services Group in the accounting firm of Gordon, Odom and Davis in Sacramento, CA. It is not listed in any of the carrier information [as bundled], but we have started to see them come back on the EOBs as included in the E/M service.

Because she has not received any information from Medicare carriers on a change in coverage policy, Palmerton assumes that the bundling is the result of the inclusion of a number of proprietary edits from private claim processing software packages that have recently been incorporated into Medicare CCI and termed a black box edit. (See the article, Be Prepared to Track New CCI Secret Codes and Ward Off Payment Denials on page 21 in the October 1998 issue of ICA.) And, some private payers may be following suit, she adds.

Carrier Guidelines

CPT considers the test to be a separate surgical procedure, and the two Medicare carrier local review policies checked by Internal Medicine Coding Alert (the policies from Cahaba Government Benefits Administrators in Georgia and Empire Medicare in New York and New Jersey) do not indicate that the code cannot be billed in addition to an E/M service.

More and more frequently, Medicare seems to be limiting the number of services they are willing to pay for separately, notes Palmerton. I dont know why this service would be considered bundled. In most cases, a urinalysis is ordered because of a specific condition or the suspicion of a urinary tract illness. In fact, carriers list a specific set of ICD-9 codes that justify the medical necessity of ordering the test. If the code is not reported and linked to the test, then the payment will be denied, according to both Empire Medical and Cahaba policies.

If the practice does a significant number of these tests and has documentation supporting the services provided, Palmerton recommends appealing to the payer. I would write a letter accompanying the appealed claim, explaining this is the kind of office we have and this is the service provided, and we feel it should be paid, she states.

Claim Processing Errors

Before appealing a denial, internists should be certain that the claim meets other payer standards for medical necessity, such as including an appropriate diagnosis code, she says. Medicare carriers also have specific requirements for the frequency of performance for laboratory tests. The urinalysis code may be denied because the same test was performed within a set time frame set by the carrier.

For some payers, the code denial may be a claim-
processing error instead of a proprietary edit, Palmerton notes. I have never heard of the urinalysis code being paid and not the E/M code; that doesnt make any sense, she says. I think that may be the case of someone in that payers claims processing department being unfamiliar with what the codes represent.

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She recommends appealing the denial and contacting the provider representative if it is a significant problem.

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