# Optometry Coding & Billing Alert

## Medicare Errors: Providers Underbilled More Than $1 Billion to Medicare in 2010

**CERT results reveal $34.3 billion in improper Medicare payments -- $1.1 billion of which was underpaid.**

If your practice's collections rate was off by 10.5 percent, you'd be in big trouble, right? Well, that's the 2010 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 in November, show that practices actually made fewer errors in 2010 than in the previous year. Most of the errors were discovered as overpayments--meaning that CMS identified $33.2 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 2010.

To create the CERT report, CMS reviewed 30,965 Part B claims, along with claims from Part A and DME, according to the "Medicare Fee-for-Service 2010 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: Part B practices were the absolute worst of the provider types when it came to documentation, with a 2.1 percent error rate in the "insufficient documentation" category, higher than both Part A and DME providers.

Warning: If a reviewer looks at your claim and finds only a listing of the CPT® and ICD-9 codes that you reported, you have not proven medical necessity for the service, or even demonstrated that you actually saw the patient. In these situations, the MAC could request the entire payment back.

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

Example: A MAC "paid a provider $136.48 for the drug Remicade; HCPCS code J1745 (10 mg per unit)," the CERT report states. The beneficiary received 500 mg or 50 units, but the provider billed only 10 units -- which meant that the payer actually underpaid the practitioner by $343.56.

**Avoid These Top 5 Physician Documentation Errors**

CMS found that physicians improperly billed $6.22 billion in claims that were later found to have insufficient documentation. If you want to avoid that type of error -- which will most certainly result in auditors knocking on your door requesting refunds -- check out the top five errors that the CERT report uncovered.

1. No signature. Medicare requires that the author of a note authenticates it with a handwritten or electronic signature, but found that $1.3 billion worth of claims actually had no signature at all.

2. Multiple errors. CMS noted that it improperly paid $1.1 billion on claims that had several different types of documentation errors.

3. Documentation does not match code billed. You've no doubt heard the saying many times--"If it wasn't documented, it wasn't done." Medicare reviewers wholeheartedly agree with this sentiment, and said that physicians may have billed a particular code to the MAC, but the documentation didn't back it up, resulting in $0.9 billion in errors in this category.

4. Valid physician order missing. Many services require a physician order -- for instance, radiology procedures and laboratory tests. CMS found that the order was missing in $0.7 billion worth of claims.

5. Illegible identifier. Have you ever seen a scratch on a page that is purported to be a physician's signature, but you can't actually read it? Medicare doesn't like those. In some cases, if a physician's signature is illegible or missing, CMS will give the provider a chance to attest to his signature. However, if the doctor does not return the attestation, the practice has to return the money it collected for the visit. CMS found $0.7 billion worth of errors in this category in 2010.

To read the complete CERT results, visit www.cms.gov/CERT/Downloads/Medicare_FFS_2010_CERT_Report.pdf.