

Part B Insider (Multispecialty) Coding Alert

Billing: What's the Prognosis on Your Diagnostic Billing?

Find out what you can do to get paid for diagnostic tests

Billing for diagnostic tests can be very tricky, and many practices throw in the towel and take denials for these tests in stride - but that doesn't always have to be the case.

Billers encounter two main problems with diagnostic testing, says **Patricia Trites**, president of Healthcare Compliance Resources in Augusta, Ga:

1. Billing for diagnosis when screening was actually performed. Diagnostic tests will often be paid for, but screening tests usually are not, Trites says. "And what some providers do, whether on purpose or not, is to bill for a diagnostic code instead of the screening code," she says. That might get you paid in the short run, but it also spells fraud in the government's eyes.
2. Billing for a rule-out diagnosis. If a physician performs a diagnostic test to rule out a possible medical problem, you can't bill for it, Trites says. The catch-phrase on that one is: "If you bill for a rule-out, you can rule out payment." In these cases, you must bill for the symptoms that prompted the diagnostic test, not with a diagnosis you're not sure the patient actually has, she says.

Many payers refuse to reimburse for a diagnostic test, arguing that it's included with the evaluation and management component of an office visit, says **Steve Verno, NREMP, CMBSI**, director of reimbursement for Emergency Medicine Specialists in Hollywood, Fla. In these cases, if the provider isn't contracted and if your state law permits, you can bill the patient for the test, says Verno, who is also the compliance director for the Medical Association of Billers.

Don't be afraid to appeal denied claims for diagnostic tests. Many carriers' software will automatically deny a diagnostic test when it's submitted with an E/M, but when you talk with a real, live human being on appeal, you can often get paid, Verno says.

And just because you receive payment from one carrier doesn't mean you'll come out on top with all of them. For example, some carriers will pay for pulse oximetry testing, but Medicare never will, Verno says.

Tip: If you think Medicare won't pay, be sure to have the patient sign an advance beneficiary notice.

To avoid headaches to the greatest extent possible, your best bet is to have a carve-out in your contract with each carrier that states you'll get paid for diagnostic tests, Verno says. Otherwise, you're at the carrier's mercy.