

Part B Insider (Multispecialty) Coding Alert

CODING: If You're Downcoding on Purpose, You're Burning Cash

Many physicians are so beaten down by fraud probes and carrier audits that they're punishing themselves before someone else can do it for them.

That's the only way to read the findings of a physician survey sponsored by the Medicare Payment Advisory and the Project HOPE Center for Health Affairs. (See PBI, March 28, page 29.) More than two-thirds of physicians have billed "more conservatively than they felt was warranted" to reduce their chances of being investigated.

Four out of 10 doctors downcoded occasionally, and another three in 10 downcoded on a regular basis, the survey found.

The average one-physician office loses \$10,000 a year because it downcodes procedures instead of billing for the proper amount, claims **Edward F. Babb, MD, CPC**, with Physician Advocate Consultants & Trainers in Lafayette, N.J.

And it could be more for many physicians, says consultant **Jim Collins** with Compliant MD in Matthews, N.C. "If you've got a physician who's performing 90 percent of his services at level five and billing mostly level three, he's losing hundreds of thousands of dollars every year" in "take-home cash," Collins says. If your documentation supports a higher level, you shouldn't bill at a lower level just to stay below the audit radar, he adds.

And downcoding can be as dangerous as upcoding, according to Babb. Your documentation must support the level of service you've chosen to bill. Physicians who bill for a lower level of service than they provided are billing falsely. They're also failing to understand how the system really works.

Physician offices should understand how to document the three requirements for an office visit: history, physical exam, and medical decision-making, Babb says. The more diagnoses you're coping with, the higher the level. For example, diagnoses of sinus infection, hypertension and diabetes all together can automatically bump a claim to a higher level. The system can become complicated, but it's important to follow the rules.

It's never happened to Babb's knowledge, but he insists physicians could face fines for downcoding their own claims, just as they have in the past for upcoding.