

Part B Insider (Multispecialty) Coding Alert

Compliance: CERT Report: Insufficient Documentation Remains a Thorn in Providers' Sides

Beef up your notes to sidestep issues.

Seasoned coders do their best to ensure that claims show medical necessity, utilize the correct codes, and are well-documented. But errors still crop up - and those mistakes can amount to billions in improper payments.

Now: The Centers for Medicare & Medicaid Services (CMS) published its "2021 Medicare Fee-for-Service Supplemental Improper Payment Data" on Dec. 7, 2021 as part of its Comprehensive Error Rate Testing (CERT) program. The report breaks down the biggest errors among Medicare claims and covers the causes of the improperly paid charges.

Reminder: CMS notes that it suspended CERT program activities for a while in 2020 due to the COVID-19 public health emergency (PHE). Then after resuming them in August 2020, "CMS adjusted CERT program data collection by reducing the sample size for Reporting Year (RY) 2021 and RY 2022 to account for the challenges incurred by providers and suppliers during the PHE, while continuing to maintain appropriate accountability measures and meet statutory obligations," according to its CERT webpage. "Claims with dates of service within the COVID-19 PHE were reviewed in accordance with all applicable CMS waivers and flexibilities," the agency adds.



Overall, the government found a 6.26 percent improper payment rate among claims submitted during the 12-month period from July 1, 2019, through June 30, 2020. That equals \$25.03 billion in improper payments. The overall rate has been under 10 percent for five years in a row, CMS emphasizes.

It's not all a success story, though. For example, Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers had a whopping 28.64 percent error rate equaling \$2.38 billion for 2021, CMS notes on its CERT webpage. Here's how the other parts of Medicare factored into the 2021 FFS rate:

- Medicare Part A (excluding IPPS) claims had an improper payment rate at 6.31 percent and \$11.58 billion in improper payments.
- Medicare Part A (with IPPS) had an improper payment rate at 2.39 percent and \$2.58 billion in improper payments.
- Medicare Part B had an improper payment rate at 8.49 percent and \$8.5 billion in improper payments.

Take a Look at the 5 Error Categories

Submitting Medicare claims with insufficient documentation continues to be the most problematic issue for providers, but corrective actions did help bring the improper payment rate to a "historic low," the agency notes in a release.

"CMS is undertaking a concerted effort to address the root causes of improper payments in our programs," said CMS Administrator **Chiquita Brooks-LaSure** in a release. "The continued reduction in Medicare fee-for-service improper payments represents considerable progress toward the **Biden-Harris** Administration's goal of protecting CMS programs' sustainability for future generations. We intend to build on this success and take the lessons we've learned to ensure a high-level of integrity across all of our programs."

Here's a comparison of the 2020 and 2021 CERT stats and a breakdown of the five error rate actions and correlating national percentages, according to the 2020 and 2021 CERT reports:

1. Insufficient documentation: Claims submitted without adequate or missing information or that lacked the provider's intent or supporting details for the type of service or claim are among the root causes that ratchet up the insufficient documentation error rate numbers, Table 1 of the CERT report suggests. In fact, the error rate for insufficient documentation is at 64.1 percent. This number is up slightly from 2020's insufficient documentation error rate at 63.1 percent.

Remember, insufficient documentation doesn't necessarily mean that your practice has lost or truncated its existing documentation - instead, it often means that the provider didn't document enough in the first place to justify the services you billed.

2. Medical necessity: The 2021 error rate attributed to claims submitted without medical necessity actually dropped from 2020. This year's rate stands at 13.6 percent compared to last year's rate at 16.2 percent.

"These errors occur when submitted medical records contain adequate documentation to make an informed decision that services billed were not medically necessary based upon Medicare coverage and payment policies," according to the Department of Health and Human Services (HHS) Financial Agency Report for 2021.



3. Incorrect coding: When your records don't adequately support the code used on your Medicare FFS claims, that's considered incorrect coding and ranks third in the error rate numbers at 10.6 percent for 2021, which slightly dipped from 10.9 percent in 2020. Incorrect coding comes in all shapes and sizes, from unbundling and upcoding to downcoding and mis-coding.

4. Other: "These errors do not fit into the previous categories (e.g., duplicate payment error, non-covered or unallowable service, ineligible Medicare beneficiary, etc.)," but they do still wreak a bit of claims havoc, indicates the HHS report. Claims with a variety of "other" errors equaled 6.9 percent of the overall improper payment rate in 2021. Last year, the claims submitted with "other" errors clocked in at 5.4 percent.

5. No documentation: When Medicare providers forget to add documentation or refuse to respond to documentation requests, these stats go up. This category ranked fifth and registered at 4.8 percent of the overall error rate for 2021; it was at 4.4 percent in 2020.

Both HHS and CMS emphasize throughout the improper payment rate materials that improper payments do not equal fraud. "Only a small fraction of improper payments represent a payment that should not have been made - and an even smaller percentage represent actual cases of fraud," CMS Principal Deputy Administrator & Chief Operating Officer **Jonathan Blum** emphasizes in the CMS release.

Resources: Check out the 2021 CERT report at www.cms.gov/files/document/2021-medicare-fee-service-supplemental-improper-payment-data.pdf-0, the HHS Financial Agency Report for 2021 at www.hhs.gov/sites/default/files/fy-2020-hhs-agency-financial-report.pdf, and past years' CERT reports at www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/CERT-Reports.