

Part B Insider (Multispecialty) Coding Alert

Compliance: CERT Shows Part B Error Rate Spiked in FY 2020

Tip: Ensure documentation proves medical necessity.

Even though the overall Medicare fee-for-service (FFS) improper payment rate dropped for fiscal year (FY) 2020, Part B's rate increased by almost 3 percent. Read on for the details.

Context: On Dec. 21, 2020, the Centers for Medicare & Medicaid Services (CMS) released the 2020 Medicare FFS Supplemental Improper Payment Data as part of its Comprehensive Error Rate Testing (CERT) program. The CERT data showed Medicare Part B's portion of the improper payment rate at 32.8 percent of the overall amount - a significant increase from the 2019 rate of 29.9 percent.

Reminder: The CERT report, as it's commonly referred to, offers statistics and methodologies on the biggest errors found in Medicare FFS claims as well as what caused the improperly paid charges. The FY 2020 Medicare FFS improper payment rate was first published in the Department of Health and Human Services (HHS) FY 2020 Agency Financial Report (AFR) in November 2020 (see Part B Insider, Vol. 22, No. 1).

"The FY runs from October 1 to September 30. The Medicare FFS sampling period does not correspond with the FY due to practical constraints with claims review and rate calculation methodologies," notes the CERT report. "The FY 2020 Medicare FFS improper payment rate included claims submitted during the 12-month period from July 1, 2018 through June 30, 2019."



Take a Look at the Overall Numbers

A myriad of corrective actions contributed to CMS' efforts to circumvent incorrect coding and cut error rate numbers. The feds estimate improper payments at \$25.74 billion for FY 2020 with a 6.3 percent improper payment rate. This is a major drop from FY 2019's statistics, which included a 7.25 percent error rate and \$28.91 billion in improper payments.

Why do these numbers matter? "The CERT program is designed to determine if Medicare contractors are processing and paying claims correctly," notes Part B Medicare Administrative Contractor (MAC) NGS Medicare in online guidance.

Plus, the feds track errors and offer educational programming from the CERT results. "CERT is an excellent program that provides extremely helpful information for physicians," says **Christina Neighbors, MA, CPC, CCC**, coding quality auditor for Conifer Health Solutions, Coding Quality & Education Department. "It's really important for physicians to keep an eye out because there is a lot of overcharging and unnecessary billing for services that lack the proper medical necessity."

Pocket These Part B Particulars

In Figure 9 of the CERT results, CMS highlights the various insufficient documentation issues that hiked up Part B's portion of the error rate. The pie chart points to missing or inadequate records as the primary culprit, accounting for a staggering 74.1 percent of Part B's documentation woes, while missing or inadequate orders was the second biggest issue at 20.2 percent.

Table 2 breaks down this whopping number and identifies the following problem areas under insufficient documentation that Part B practices struggle with:

- Documentation to support medical necessity was missing or inadequate.
- Notes to support services or a specific code for payment were missing or inadequate.
- Providers' orders or even intents to order were missing from documentation.



See State with Highest Percentage of Improper Payments

The size of the state usually factors into the amount and impact of improper payments on the percentages, and the FY 2020 CERT results highlight this in the data. California ranked first among the states with the highest percentage of overall improper payments at 10.6 percent among Medicare Parts' A and B unadjusted impact stats, according to Table B8. Texas was second at 9.5 percent. Florida rounded out the top three at 7.0 percent, while Tennessee registered 5.3 percent of overall improper payments and Pennsylvania was fifth at 4.4 percent.

The states with the highest error rates are rarely the same as those with the highest percentage of improper payments. For example, the Commonwealth of Puerto Rico had an improper payment rate for its Medicare FFS claims of 28.7 percent. Kentucky was next with a 13.2 percent error rate, and Georgia took the third spot at 11.7 percent, Table B8 shows.

Important: CMS did halt the CERT program temporarily due to the COVID-19 public health emergency (PHE) - but reinstated reviews in August 2020 for reporting years (RYs) 2021 and 2022, online guidance indicates. "CMS altered CERT program activities in the short term (i.e., ceasing provider contact for RY 2020 claims) and adjusted data collection in the longer term (i.e., sample size reduction for RY 2021 and RY 2022 claims) to account for the challenges incurred by providers and suppliers during the PHE, while continuing to maintain appropriate accountability measures and meet statutory obligations," the agency explains.

All phone calls and documentation requests going forward will be for RY 2021 and RY 2022 CERT audits, CMS says.

Resources: Read the FY 2020 supplemental data at <https://www.cms.gov/restricted-access-vbd/vcertreportsdl/2020-medicare-fee-service-supplemental-improper-payment-data> and find CERT contact information and helpful provider tools at www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/InformationforProviders.