

## Part B Insider (Multispecialty) Coding Alert

### COMPLIANCE: Collecting From Both Part A and B Isn't Twice as Nice to the OIG

#### Even outpatient lab services are included in the DRGs for most inpatients

The **HHS Office of Inspector General (OIG)** recently audited a carrier's Part B lab payments, and the results weren't pretty--the insurer paid more than \$292,000 to labs that performed services for inpatients. The problem was that Part A had already included payment for those services in the hospital's DRG payment, meaning that the lab collected twice.

The OIG reviewed payments by National Heritage Insurance Company (NHIC) for the technical component of lab services performed in 2005. In the audit report released last week, the OIG noted the need to -reemphasize to laboratory suppliers the need for internal control systems to prevent improper billing for laboratory services provided to hospital inpatients.-

**Check the requisition.** -It's very clear when a requisition comes into the lab that a specimen is for a hospital inpatient, and when our lab sends requisitions out we always indicate the same information,- says **Carolyn Kent, MBA, MT (ASCP)**, of Mississippi Baptist Medical Center in Jackson. -However, it is possible to get paid by both Part A and Part B for the same services because often the financial intermediary (FI) for Part A is different than the FI for Part B, so there is now a movement within the Medicare community to try and get Medicare to consolidate the FIs.-

Therefore, if the lab didn't realize it was billing Part B erroneously, the insurer may not have noticed, either.

The DRG payment for inpatient services covers nonphysician outpatient services that Medicare beneficiaries receive during an inpatient stay. This includes laboratory services performed for inpatients by a physician's office, another hospital or an independent laboratory.

**Don't forget:** -Keep in mind that although most lab services are included in the DRG no matter where they-re performed on behalf of inpatients, the DRG payment does not include anatomic pathology services and some specific clinical pathology services that are performed outside of the hospital,- notes **Heather Corcoran** with **CGH Billing**.

-Accordingly,- the OIG report notes, -laboratory suppliers that provide nonphysician outpatient services to Medicare beneficiaries during inpatient stays are required to bill the PPS hospital, not the Medicare carrier, for those services. Medicare carriers are responsible for ensuring that they do not pay inappropriately for laboratory services provided to hospital inpatients.-

To read the full text of the OIG audit, visit [www.oig.hhs.gov/oas/reports/region10/10700512.pdf](http://www.oig.hhs.gov/oas/reports/region10/10700512.pdf).