

Part B Insider (Multispecialty) Coding Alert

Compliance: OIG Finds 69 Percent Error Rate in New Outpatient Audit

Avoid these common mistakes so you won't have to refund your MAC.

If you're billing an incorrect number of drug units on your claims, you could be collecting thousands more than you deserve--and you need to pay it back. That's the word from the OIG, whose latest report was released on April 22. The report, entitled "Review of Medicare Payments Exceeding Charges for Outpatient Services Processed by Noridian Administrative Services, LLC, in Jurisdiction 2 for the Period Jan. 1, 2006 through June 30, 2009," shed some light on common mistakes that Part B practices make, resulting in millions in repayments to Medicare.

The method: To complete its audit, the OIG reviewed line items submitted to Noridian (a Part B MAC for four states) that had either a Medicare payment amount that exceeded the billed charge amount by at least \$1,000; or three or more units of service. The OIG found 1,340 selected line items that fit these criteria over the audit period.

The outcome: Only 359 of the 1,340 line items were paid correctly, the OIG found, meaning that the MAC paid 69 percent of these claims in error. By the time the OIG began researching the claims, providers had already refunded overpayments on 51 of the line items, leaving 930 remaining line items which amounted to overpayments totaling \$6.2 million that remained in providers' hands.

Get to Know the Biggest Errors

Among the 930 incorrect line items that the OIG reviewed were the following errors, the report indicates:

- Install your own edits: Many software systems allow you to set up limits for each code. For instance, you could tell your system to alert you if you enter any number of units over 10 for an alemtuzumab injection. Then if the system alerts you, you could manually review these claims before you submit them to ensure that you entered the units properly.
- Refund overpayments immediately: If you receive payment that is astronomically higher than the amount you billed, that's a red flag. Check the payment amount against your claim and refund the overpayment to Medicare before the OIG steps in and requires you to do so.
- Eliminate old codes: When a HCPCS code is no longer valid, configure your billing software to give you an error message if you try to use it for dates of service after it expired. That way you won't be reporting outdated codes.

To read the complete OIG report, visit <http://oig.hhs.gov/oas/reports/region9/91002019.pdf>.