

Part B Insider (Multispecialty) Coding Alert

COMPLIANCE: Physicians Made \$1.5 Million in Place-of-Service Errors During A 2-Year Period, OIG Says

Audit finds that physicians reported the correct POS code on just 15 percent of claims during the review period

If you can't differentiate place of service (POS) code 11 from POS code 24, the OIG may be looking for you soon.

Based on a new audit report released by the OIG on July 16, physicians need to keep a closer eye on where they performed a particular medical service.

Why it matters: Although POS codes may seem innocuous, your reimbursement amounts depend on whether your procedure took place in your office versus another out-patient facility.

-To account for the increased expense that physicians incur by performing services in their offices, Medicare reimburses physicians a higher amount for services performed in their offices rather than in an outpatient hospital or an ambulatory surgical center,- noted **Joseph E. Vengrin**, the OIG's deputy inspector general for audit services, in his July 1 letter explaining the audit to **CMS Acting Administrator Kerry Weems**.

In its audit of Part B payer First Coast Service Options, the OIG found the correct POS code on only 15 percent of the claims that its inspectors reviewed, estimating that Medicare overpaid nearly \$1.5 million in incorrectly coded services over the two-year audit period.

For example: A physician performed a spinal pain injection in an ASC (POS 24) but billed it with POS 11 (office), resulting in an overpayment to the physician of \$177, according to the audit report.

You might think this type of error could never occur at your practice, but the OIG found that many of the errors were caused by relatively simple mistakes.

For instance, some billing personnel were confused about the definition of -physician's office,- while others were completely unaware of the fact that erroneous POS codes affected reimbursement.

Solution: If you have a hard time determining where the physician performed a particular service, place a box on his chart note template that allows him to write the place of service directly on the notes, advises **Randall Karpf** with **East Billing**.

-You can just put a small box in the upper right-hand corner of the chart note where the doctor can write -ASC,- -ER,- and so on when necessary,- Neal advises. -Sometimes they will say in the dictation, -Today in the ASC I performed this service,- but if they don't, your reimbursement could be at risk.-

To read the OIG audit, visit <http://oig.hhs.gov/oas/reports/region1/10700518.pdf>.