

Part B Insider (Multispecialty) Coding Alert

CONSULTATIONS: Prepare For A New Crackdown On Consult Billing

Three out of four consults billed incorrectly, OIG says

Now's the time to review how you bill for consults--before the feds come and start investigating your files.

Consults look like a juicy target to fraud-busters in the wake of a new report by the **HHS Office of Inspector General** that found 75 percent of consults didn't meet Medicare requirements. Only one third of the dollars billed in 2001, \$1.1 billion out of \$3.3 billion, were incorrect, but that's still a high price tag.

Here are the problems:

- **Nearly half of all consults (47 percent) were billed as the wrong type of consult or at an incorrect level**, accounting for \$613 million in consult billings. In particular, 41 percent of consults were upcoded and 5 percent were downcoded, the OIG says. One-third of upcoded services were upcoded by two levels, and 10 percent were upcoded by three levels.
- **One in five consults (19 percent) didn't meet Medicare's definition of a consult** and should have been billed as a regular evaluation & management visit, adding up to \$191 million in incorrect billings. Most of these visits "were actually lower-paying regular office or inpatient visits," the OIG says. Providers also tried to bill for a psychiatric diagnostic interview or a discharge management service as initial inpatient consultations. Also, two consults were actually provided by nurses, who aren't eligible to bill for them.
- **Nearly one out of every 10 consultations (9 percent) did not have enough documentation** to justify billing a consult, and this cost Medicare \$260 million. Reviewers found no documentation in the patient's medical record, including records from the consulting physician, the requesting physician and the facility.
- **Almost all consults billed at the highest level (95 percent) were coded incorrectly**, the OIG says. On average, these were upcoded by 1.9 levels, meaning almost all of these level-five consults should have been level three instead.

The recommendations: Medicare should educate physicians about how to bill for consults, the OIG urges. This schooling should include when to bill the highest level of consultation.

One problem solved: The OIG especially had a problem with providers billing a follow-up inpatient consultation incorrectly. Some 94 percent of follow-up inpatient consults should have been billed as a different service. The **Centers for Medicare & Medicaid Services** pointed out that CPT Codes 2006 already deleted the follow-up inpatient consultation and confirmatory consultation codes.