

## Part B Insider (Multispecialty) Coding Alert

### Denial Management: Could You Afford to Have 1.85 Percent of Your Claims Denied?

#### Many practices still skirting PECOS regs, one MAC finds

You have only a few weeks to get your act together for the next phase of referring physician edits, or you'll face major reimbursement woes.

**Background:** Back in 2009, CMS implemented edits that can detect when claims contained an invalid ordering or referring provider. Under the edits, the ordering physician must have a valid National Provider Identifier (NPI) number and be enrolled in Medicare's Internet-based Provider Enrollment, Chain, and Ownership System (PECOS).

But the first phase of edits has been informational only, so claims still pay even if the physician information is incorrect. In those cases, Part B claims process with either N264 (Missing/incomplete/invalid ordering physician provider name) or N265 (Missing/incomplete/invalid ordering physician primary identifier) on the remittance advice.

**Now:** After numerous delays, CMS is finally implementing the edits May 1 (see the Insider, vol. 14, No. 9 for more).

If you haven't researched your PECOS edit status, you should get on it pronto, urges Part B MAC Palmetto GBA in a message to providers. "Effective May 1, 2013, the Centers for Medicare & Medicaid Services (CMS) will turn on the Phase 2 denial edits," Palmetto says. "This means that Medicare will deny claims for services or supplies that require an ordering/referring provider to be identified and that provider is not identified, is not in Medicare's enrollment records, or is not of a specialty type that may order/refer the service/item being billed."

A similar notification from CGS Medicare put it even more bluntly. "This edit will deny  not return  claims, so you'll be unable to submit an adjustment, or resubmit the billing transaction to correct the edit, CGS reminds providers. "For Medicare payment, you must file an appeal through the usual Medicare Appeals process and provide a corrected NPI and attending physician name."

According to a Palmetto analysis, physicians are continuing to skirt the PECOS rules. Just last month (March), 1.85 percent of Palmetto's claims in the state of North Carolina received one of the PECOS-related informational messages. This means that if those practices continue to bill the same way, those claims will be denied in just a few weeks.

Submitting a claim with an incorrect ordering/referring physician name for the NPI submitted was a common error, Palmetto explains. In addition, some practices entered a credential (such as "Dr." or "MD") in the name field, and others misspelled the ordering/referring doctor's name or used a nickname (for instance, "Bill" when the PECOS system has the doctor's name as "William.")

Remember, the physician information on your claim must match the information in the PECOS file exactly.

The doctor's specialty code has to be valid as well to pass the edit. But a technical glitch may derail some legit claims. Specialty Code '01' (General Practice) "was not included in the logic when determining an appropriate ordering/referring physician," CGS explained in a recent notification. The MAC reported the issue to CMS for clarification.

To read Palmetto's complete analysis of Part B claims and the PECOS edits, visit

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