

Part B Insider (Multispecialty) Coding Alert

FRAUD & ABUSE: Are Your Billing Staff Presenting Place Of Service Accurately?

You could be reaping thousands you're not entitled to

Warning: If you're not paying attention to the place where your services supposedly took place, then you could be receiving massive overpayments and drawing the feds' attention.

The **HHS Office of Inspector General** is once again probing whether doctors who performed services in an outpatient hospital or ambulatory surgery center improperly said they performed the services in the office instead. Medicare pays more for services in the office setting than the facility setting, because of the assumption that doctors are covering overhead in the office.

In a review of 100 facility claims processed by **Wisconsin Physicians Service Insurance Corp.** (A-05-04-00025), the OIG found that 79 claims falsely said the physician performed services in the office. WPS overpaid \$1,948 for those services, and the OIG believes the carrier's total overpayments for place-of-service issues add up to \$742,510. The 100 claims included 30 for ASC services and 70 for outpatient hospital services.

Some providers had their billing systems set up with default place of service indicators that were incorrect for these claims. Billing personnel weren't well trained, or made data entry mistakes, the OIG adds. Additionally, physician office staff weren't clear on the definition of "office" or when the "office" POS code was appropriate.

The OIG calls upon WPS to recoup the overpayments and educate physicians on correctly reporting POS. WPS also should work with the Medicare fiscal intermediary to pinpoint docs' claims at high risk for POS coding errors.

Were the practices deliberately upcoding or just making honest mistake? Coding Experts say almost certainly the latter. "I don't see [the upcoding] as intentional," says coding consultant **Terry Fletcher** in Laguna Niguel, CA. But if the upcoding is intentional, "it's totally fraudulent," she says.

Physicians are often expected to know too much about these tricky coding issues, notes **Diane Signoracci**, health care attorney with **Bricker & Eckler** in Columbus, OH. The carriers need to do a better job of educating docs, including letting them know that if they're in a hospital or anyplace that looks like a hospital, the POS is automatically "22" instead of "11."

In the ASC setting, the doctor should be billing using the -26 modifier for professional services, Signoracci adds.

Some doctors may feel entitled to some "overhead" reimbursement because they bring their own supplies or staff, but they're still not paying for the space, says Signoracci. In that situation, the doctor should obtain repayment directly from the facility.