

Part B Insider (Multispecialty) Coding Alert

In other news...

When the HHS Office of Inspector General audited a sample of 2006 DME claims with the KX modifier, it found \$127 million in estimated overpayments. Now it's looking at 2007 claims, and the results are equally grim.

Background: Certain durable medical equipment items require a KX modifier for Medicare claims. The modifier indicates that the item in question has extra documentation requirements and that the supplier has the required documentation on file.

The problem is that of a sample of 100 claims with the KX modifier from 2007 that the OIG audited, 55 lacked required documentation, according to the OIG. "The KX modifier was not effective in ensuring that suppliers of DMEPOS ... had the required supporting documentation on file," the report says.

Extrapolated to all KX claims paid by contractors Palmetto GBA and CIGNA during the period, the Medicare program paid \$137 million to suppliers for KX claims that lacked required documentation, the OIG concludes. The most common missing documentation was a physician's order for 40 of the 100 claims.

Resource: The report is online at www.oig.hhs.gov/oas/reports/region4/40904039.pdf.