

Part B Insider (Multispecialty) Coding Alert

Medicare Errors: E/M Errors Plague Medicare Claims Accuracy

CERT results reveal \$38.2 billion in improper Medicare payments--\$1.4 billion of which was underpaid.

If your practice's collections rate was off by ten percent, you'd be in big trouble, right? Well, that's the 2013 Medicare Fee-for-Service improper payment rate, and your MAC may come looking for money you still owe to them.

CMS's new Comprehensive Error Rate Testing (CERT) results, which were released on July 24, show that practices made more errors in 2013 than in the previous year (2012's error rate was 8.5 percent). Most of the errors were discovered as overpayments--meaning that CMS identified \$36.8 billion that went out to Medicare providers in error, and chances are high that MACs will be asking for much of that money back, if they haven't already. In addition, CMS noted that it still owes \$1.4 billion to providers who were underpaid in 2013.

To create the CERT report, CMS reviewed 48,227 claims, including Part B, Part A and DME, according to the "Medicare Fee-for-Service 2013 Improper Payment Report." Auditors then pored over the claims to determine which had no documentation, insufficient documentation, incorrect coding, or reflected a medically unnecessary service.

Documentation: Surprisingly, Part B practices had a significantly higher error rate than Part A providers, with Part B facing a 10.5 percent error rate as compared to 9.0 percent in Part A. Only durable medical equipment (DME) providers had a higher error rate, logging a 58.2 percent improper payment rate.

Incorrect coding: Part B providers rated the highest among incorrect coding errors, with a 0.7 percent error rate, which topped the Part A and DME rates. Not all of these errors reflected overpayments to practices--in some cases, doctors actually shorted themselves by coding incorrectly. In addition, Part B practices had a 1.7 percent insufficient documentation error rate, while Part A payers had a 2.5 percent error rate in this category.

Avoid These E/M Errors

Interested in avoiding the most common culprits that led to such a high Part B error rate? Then you should nail down your E/M claims going forward.

CMS found that providers improperly billed \$3.9 billion in E/M claims, resulting in a 13.4 percent improper E/M payment rate. If you want to avoid that type of error--which will most certainly result in auditors requesting refunds--double-check your E/M level. "Incorrect coding and insufficient documentation caused most of the improper payments for E/M services during the 2013 report period," the CERT report states.

Often, the errors were due to practices submitting documentation that supported a different E/M level than what was billed. Other issues included insufficient documentation, no physician authentication, or wrong place of service.

Split/shared services: The CERT auditors also found a large number of errors when reviewing split/shared E/M services. "Split E/M services occur when the physician and a qualified NPP each do a substantive part of an E/M visit face-to-face with the same beneficiary on the same date of service," the report states. "A physician can only bill this visit under his or her NPI for certain E/M visits and settings. Insufficient documentation causes most of the improper payments for these claims."

Ohio, Florida Top Error List

Geographically, Ohio was the state with the highest percentage of errors, logging a 13 percent error rate. Next was Florida (12.3 percent error rate), followed by California and Michigan (both at 11.7 percent), New York (11.3 percent) and Illinois (11 percent).

To read the complete CERT results, visit

<http://cms.hhs.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/CERT-Reports-Items/Downloads/MedicareFee-for-Service2013ImproperPaymentsReport.pdf>.