Part B Insider (Multispecialty) Coding Alert

Pecos Edits: Beware 'N544' Errors Now That PECOS Edits Are Active

Unless CMS retroactively reverses the decision, those edits were turned on Jan. 6.

You may have gotten used to pushing the PECOS edits off of your plate thanks to CMS's multiple delays, but now that the time is here, the edits could potentially impact your bottom line. Take this opportunity to mitigate the damage by ensuring that your systems are ready for the changes.

After delaying for years the edits which will require an ordering or referring physician to be en-rolled in PECOS, CMS began implementing them on Jan. 6. As of press time, that deadline was in place, although it's possible that the agency could retroactively delay them once more. However, even MACs are taking the Jan. 6 date seriously, with several putting warnings on their websites indicating that providers who don't comply with the PECOS edit rules will receive an error message for dates of service on or after Jan. 6.

Warning: Remember that you can't merely adjust claims that fail the edit. Instead, you have to file an appeal.

Background: Phase 2 of PECOS edits hit on Jan. 6, and they'll now slap you with costly denials as opposed to less burdensome returned claims when you have invalid ordering/referring physician information. The system will now deny claims when the doctor isn't in the Provider Enrollment, Chain, and Ownership System (PECOS) file or when the name doesn't match.

Follow These Steps to Comply

If you want to ensure that you avoid these types of denials, take these six steps to minimize cash flow delays and financial losses due to PECOS edit rules:

1. **Check and recheck.** CMS posts a "Medicare Ordering and Referring File" on its website with the full list of "the National Provider Identifier (NPI) and legal name (last name, first name) of all physicians and non-physician practitioners who are of a type/specialty that is legally eligible to order and refer in the Medicare program and who have current enrollment records in Medicare (i.e., they have enrollment records in PECOS)," CMS explains on the site. The website is at www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/MedicareOrderingandReferring.html. CMS updates the report weekly, it says in MLN Matters article SE1305.

Even if you've checked this list in the past, you shouldn't stop referring to it when you want to confirm an ordering/referring doctor's NPI. Because the years have worn on with no PECOS edit phase 2 implementation, some providers may have let physician PECOS checks fall to the bottom of their to-do list.

In fact, now is the time to step up PECOS file checking. Pay attention to which physicians are sending referrals and ordering services and verifying that those physicians are eligible to do so and are currently enrolled in PECOS.

The claims denials generated by the edits should be ample motivation. You need to be proactive in verifying this information in advance of billing so that claims don't get denied.

2. **Spur enrollment.** If you find your doctors don't have a record in PECOS, you'll need to get them to enroll in it or you won't be able to get paid.

Resource: Links to educational Medicare articles about enrolling in PECOS are in the "Additional Information" section at the end of the MLN Matters article at www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE1305.pdf.

3. Match the PECOS file exactly. If your claim calls a physician "Jack" and he's listed as "John" in the PECOS file, it will get shot down. Also, don't use credentials such as "Dr." in the name field, CMS advises.

Tip: On paper claims, be sure to list first name first and last name last in item 17.

Don't let software differences trigger unnecessary edits. Make sure that the physician information that is on file in the providers' software systems and is being coded on the claim for enrolled physicians matches the PECOS information, including both the NPI and physician name.

4. **Use the right NPI.** "Ensure that the name and the NPI you enter for the Ordering/Referring Provider belong to a physician or non-physician practitioner and not to an organization, such as a group practice that employs the physician or non-physician practitioner who generated the order or referral," CMS instructs.

5. **Know the rules for exceptions.** Use the teaching physician's information for interns and residents, CMS directs. The exception is for doctors in states that license their residents. They may enroll in PECOS on their own.

Department of Veterans Affairs, Public Health Service, and Department of Defense/Tricare physicians do not get an exemption from PECOS. "These physicians and non-physician practitioners will need to enroll in Medicare in order to continue to order or refer items or services for Medicare beneficiaries," CMS tells providers in the MLN Matters article.

6. **Check current RAs** ⬜ and take action. You can get an idea of what your denial rate will be by checking out your past remittance advices. You may not have noticed PECOS edit-related messages because the claims still process. But the system previously included code N272 ⬜ Missing/incomplete/invalid other payer attending provider identifier ⬜ when the claim failed the edit.

If any of your claims were being paid with remark code N272, then this is a clear indication there is a problem with the physician information coded on the claim compared to the physician information on file in PECOS.

Act now to avoid problems when your reimbursement is at stake. These issues need to be resolved as soon as possible to avoid problems now that the PECOS edits are live.