

Part B Insider (Multispecialty) Coding Alert

PECOS System: PECOS Rejections Are Live--Follow These 8 Steps to Reduce Yours

After a long wait, PECOS edits went into effect on Jan. 6.

There's no doubt that Part B practices were starting to see Phase 2 of the PECOS edits as realistic as Bigfoot—but CMS surprised everyone by actually switching on the edits last week.

Background: In today's Medicare environment, you certainly can't afford to have payments denied or rejected, but effective Jan. 6, if your physician performs a service as the result of an order or referral, your claim must include the ordering or referring practitioner's NPI, and that number must be in the Medicare Provider Enrollment, Chain, and Ownership System (PECOS) or the payer's computer system.

Starting last week, if you submit claims for services or items ordered/referred and the ordering or referring physician's information is not in the MAC's claims system or in PECOS, your practice will find those claims denied.

Part B reminder: In Part B, MACs will take two steps before denying your claims. First, the carrier will check whether the ordering/referring physician is in PECOS. If not, the MAC will try to find the provider in the Claims Processing System Master Provider File. If the physician is in neither system, the claim will be rejected. If you want to ensure that your claims continue to process smoothly, follow these eight steps that can lead you to payment bliss.

1. Know Who Is Affected: An "Ordering physician" refers to a physician or non-physician practitioner (NPP) who orders services for a beneficiary, including diagnostic or clinical lab tests, durable medical equipment, prosthetics, orthotics, and supplies. A "referring physician" is the physician who requests the item or service.

Consider this: You'll have to submit the ordering/referring provider's NPI for all Medicare-covered services and items resulting from a physician's order or referral.

This applies not only to physicians who submit claims to Medicare, but even to "physicians and other eligible NPPs who do not and will not send claims to a MAC for the services they furnish," CMS says in its document, Medicare Enrollment Guidelines for Ordering/Referring Providers. "CMS permits such physicians and other eligible NPPs to enroll for the sole purpose of ordering/referring items or services for Medicare beneficiaries."

2. Include Incident To, X-Ray Orders in Rule: Although some practices consider the ordering/referring edits to be only applicable to those practices that deal with DME, they are grossly misinformed.

Claims for imaging services including x-rays, radiation therapy, mammography, and other services will have to meet the requirements of the PECOS edits, CMS says in MLN Matters article SE1305. Needless to say, the inclusion of the referring doctor's NPI does not guarantee payment—you'll also have to meet the other requirements of each specific service based on Medicare guidelines.

3. Know Where to Place the NPI: When you fill out a paper CMS-1500 form, you'll put the first and last name of the ordering/referring physician in Item 17 of the form, CMS says in MLN Matters article SE1305.

4. Don't Add Credentials: When you enter the name of the ordering or referring physician or NPP on your paper or your electronic claim, do not include titles such as "doctor" or "MD," CMS stresses. In addition, "Do

not enter 'nicknames' or middle names (initials) in the Ordering/Referring name field, as their use could cause the claim to fail the edits," CMS says in article SE1305.

- 5. Make 'Caps Lock' Your Friend:** Be sure to use all uppercase letters when reporting the ordering/referring provider's name on electronic claims. "The information from PECOS is provided to the Common Electronic Data Interchange (CEDI) using only upper case characters," said Part B MAC NHIC Corp. in a notification to practices. "The alpha character on the claim for the ordering/referring provider must be in upper case in order to validate the name against the PECOS file."
- 6. Don't Rely on ABNs:** If you can't get the referring/ordering physician's NPI, you should not simply ask the patient to sign an advance beneficiary notice (ABN) and expect the patient to pay for the service. "Claims from billing providers and suppliers that are denied because they failed the ordering/referring edit shall not expose a Medicare beneficiary to liability," CMS says in SE1305. "Therefore, an advance beneficiary notice is not appropriate in this situation."
- 7. Make Sure You Are in PECOS:** Some practices have spent so much time researching whether their referring/ordering providers are in PECOS that they haven't yet confirmed that they are in there themselves. If you can't find your PECOS record in the CMS file (see #8 below for information on how to find it), contact your provider relations center for help.
- 8. Bookmark the List:** To ensure that physicians and NPPs from whom you accept orders and referrals are of the type and specialty eligible to order and refer under Medicare, and have current enrollment records in PECOS, check the PECOS file at www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/MedicareOrderingandReferring.html.