

Part B Insider (Multispecialty) Coding Alert

Physician Notes: CMS Offers Tool to Determine When Medicare is Secondary

Plus: OIG blasts suppliers' modifier KX claims.

When a patient has no other insurance coverage besides Medicare Part B, you can be sure that Medicare is that beneficiary's primary payer. But what about when the patient has additional insurers? You can determine when Medicare is considered the secondary payer and when CMS considers Medicare primary by accessing a handy new fact sheet.

As part of the MLN Matters educational series, CMS has published its "Medicare Secondary Payer Fact Sheet," which offers a full chart outlining when Medicare pays first and when the program pays second. For instance, if a patient has an employer retirement plan and is age 65 or older, then Medicare pays first, and the retiree coverage pays second.

On the other hand, if the patient is age 65 years or older, is covered by a group health plan through his or his spouse's current employment, and the employer has at least 20 employees, the group health plan pays first and Medicare pays second.

You can untangle many other common scenarios using this new tool, which is available for free at www.cms.gov/MLNProducts/downloads/MSP_Fact_Sheet.pdf.

In other news...

Another OIG report is projecting millions in Medicare overpayments for durable medical equipment (DME) billed with the KX modifier.

Background: In 2006, DME regional contractors Palmetto GBA and CIGNA overpaid such claims by about \$127 million, the OIG estimated based on a 100-claim sample. The KX modifier indicates that the item in question has extra documentation requirements and that the supplier has the required documentation on file.

Now the OIG says DMERC NHIC overpaid KX modifier claims for DME by about \$54 million in 2007, says a new report at www.oig.hhs.gov/oas/reports/region1/10900528.pdf.

The missing documentation included proof of delivery, physicians' orders, use or compliant use follow-up documentation, sleep studies, and physicians' statements, the report says.

NHIC agreed that it should review claims for these problems and recover unallowable payments, notify CMS of 24 suppliers who did not meet the supplier standard for maintaining proof of delivery so that CMS can take appropriate action, and make the identified overpayment recoveries from the sample.