

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: Dialysis Drugs Overpriced, Underdocumented

Watch out for possible ESRD cuts next year

If you're providing dialysis services, watch out for cuts to end stage renal disease drug payments. The **HHS Office of Inspector General** examined the cost data from the four largest national dialysis providers and found that they paid between 12 and 68 percent less than the Medicare reimbursement amount for the 10 drugs that comprise 98 percent of the total Medicare reimbursement in 2002. And 122 facilities not owned or managed by these providers paid between 5 and 58 percent less. On average, drug manufacturers paid 17 percent less. (See "Medicare Reimbursement for Existing End Stage Renal Disease Drugs" [OEI-03-04-00120]).

1. **Lack of storage space, operating system changeovers and staff changes** left Philly-based Franklin Dialysis Center holding the bag. In an April 21 audit of Epogen claims, the

HHS Office of Inspector General discovered that personnel weren't always following their own procedures to catch inconsistencies. As a result, 44 of 143 claims fell short of Medicare payment requirements and landed the DaVita Inc.-owned facility with a \$15,906 payment adjustment.

Inconsistently archived medical records added insult to injury: Personnel could not locate a handful of medical records requested by federal auditors -- an oversight that cost the facility another \$16,000 for only 12 claims. To see the report, go to: <http://oig.hhs.gov/oas/reports/region3/30300003.pdf>.

2. **Logan Pain Management Center and its physician owner were hit** with a False Claims Act complaint. From 1997 to 2003, the clinic allegedly billed Medicare \$1.9 million for only 99 patient treatments, and Medicaid \$1.5 million for only 45 patients. Allegedly the clinic overstated how long the services, such as neuromuscular junction tests, took and billed for services never performed.
3. **The latest CCI edits single out some Category III codes for special attention.** Many codes become components of 0029T (Treatments for incontinence, pulsed magnetic neuro-modulation, per day), including psychotherapy codes 90804-90857, plus 90865 (Narcosynthesis for psychiatric diagnostic and therapeutic purposes) and 90880 (Hypnotherapy).

A series of edits target Category III codes 0033T-0035T, 0037T-0040T and 0042T. A number of codes become components of those temporary codes. The exact roster of bundled codes differs for each of these comprehensive codes, but they generally include some other Category III codes, plus some cardiovascular surgery codes between 35001 and 37209, and some fluoroscopy/ultrasonic guidance codes in the 76000 series.

Also, 0033T-0035T become components of thoracic aortic aneurysm codes 33860-33877. And 0031T-0032T will become components of endoscopy codes 57420-57421 and 57452-57461. You can use a modifier to override all of these edits.