

Part B Insider (Multispecialty) Coding Alert

Physician Notes: OIG Puts Bull's Eye on ASC Claims

Watch out for audits, scrutiny from carriers

It's like the shockwave before the stampede - when the HHS Office of Inspector General identifies a new area of payments it considers a problem, you know the carriers will start looking into it before too long.

So, brace yourself for audits and claims scrutiny of ambulatory surgical center procedures. The OIG warns in its latest report, "Review of Payments Made By National Heritage Insurance Company For Ambulatory Surgical Procedures For Calendar Year 2001" (A-01-02-00524), that physicians improperly used a nonfacility place-of-service code for ASC procedures.

For 63 out of 100 incorrectly billed claims that the OIG surveyed, the physicians wrongly said that they were performing an outpatient procedure. As a result, these physicians reaped payments that were, on average, 20 percent higher than the correct [Fee Schedule](#) payments. Carrier National Heritage Insurance Company processed 5,373 ASC claims with overpayments estimated at \$146,000.

The OIG faults NHIC for failing to set up the proper billing controls for physician claims and "the payment controls necessary to detect billing errors." The OIG recommends that NHIC use its small statistical sample to recover the \$146,000 in overpayments it believes the carrier paid.

The OIG also recommends NHIC issue guidelines to physicians to bill ASC procedures correctly, and conduct postpayment data analysis to detect incorrectly billed claims. NHIC agreed with the OIG's recommendations. (You can read the full report at <http://oig.hhs.gov/oas/reports/region1/10200524.pdf>.)

1. Medicare will decide by Sept. 25 whether to continue accepting electronic claims in their current formats once new rules designed to standardize electronic healthcare transactions become effective Oct. 16, said **Leslie Norwalk**, Centers for Medicare and Medicaid Services acting deputy administrator, Sept. 11.

It is likely that Medicare will, in fact, continue to accept so-called legacy claims. Norwalk said fewer than 11 percent of current electronic Medicare submissions comply with the Transactions and Code Sets regulations issued under the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996.

In July 24 guidance, CMS' Office of HIPAA Standards said covered entities that had made a good-faith effort to comply with the rules could delay compliance and rely on contingency plans.

2. Effective Sept. 1, Medicare will pay \$9.95 for flu vaccine codes 90658 and 90659, CMS said in transmittal 100-20. CMS states that the whole-virus vaccine (90659) hasn't yet been produced for the 2003 flu season, but carriers should still pay the code anyway. The carriers should educate providers to bill 90658 instead.