Part B Insider (Multispecialty) Coding Alert

Physician Notes: Physicians Get a Break on Beneficiary Appeals Documentation

Long-delayed coverage appeal rule at last in final form

Burdensome physician certification rules that could have derailed beneficiary appeals of Medicare coverage decisions have been stripped from the books.

In a final rule governing beneficiary appeals of national and local coverage determinations, the Centers for Medicare & Medicaid Services relented on stringent certification requirements contained in its Aug. 22, 2002, proposal. Those rules have been relaxed in the final rule: Now, certification that a service is necessary can simply be in the form of a written order or another component of the medical record. And physicians won't be required to predict that payment would be denied.

Under the rule, published in the Nov. 7 Federal Register, appeals of local coverage determinations would be reviewed by administrative law judges. Appeals of national coverage determinations, and of ALJ rulings on LCDs, would be heard by the Health and Human Services Departmental Appeals Board. DAB decisions could then be appealed in federal court.

The rule goes into effect Dec. 8, 2003.

To see the rule, go to www.access.gpo.gov/su_docs/fedreg/a031107c.html.

Physicians billing for lung volume reduction surgery - which will be covered by Medicare starting Jan. 1, 2004 - should use CPT Code 32491, CMS says in a Nov. 4 "one-time notification" update to the CMS Manual System (change request 2688). Physicians should add modifier -KZ on claims for LVRS performed on Medicare beneficiaries who are enrolled in a risk Medicare+
Choice plan.

If you've been having trouble getting paid for immunosuppressive drugs, it could be a problem with the carrier systems. The Durable Medical Equipment Regional Carriers, which reimburse drug claims, have been flagging all immunosuppressive drugs claims received with the same date of service as another drug claim, even if the other claim wasn't an immunosuppressive drug claim. In Change Request 2910, dated Oct. 17, CMS tells the DMERCs to fix their systems so they only flag duplicate claims for immunosuppressive drugs for the same beneficiary on the same day.

In fiscal year 2003 - which ended Sept. 30 - the Department of Justice reeled in $1.7 billion in civil fraud recoveries against healthcare companies. Put another way, fraud settlements are costing healthcare organizations more than $6.5 million per business day. The $2.1 billion in total fraud recoveries netted by the DOJ in FY 2003 represents a 75 percent jump over last year's total, the DOJ states. Big cases include AstraZeneca Pharmaceuticals' $280 million settlement for conspiring with physicians to illegally charge Medicare and Medicaid for free drug samples.

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