

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN ORDERS/REFERRALS: Next Year, Medicare Will Deny Claims if Referring/ Ordering Doc Isn't in PECOS Or Claims System

Plus: If your physician isn't 'of the specialty to order or refer,' your MAC will deny your claim starting January 4.

CMS wants to make sure you're taking PECOS seriously -- and the agency is willing to slash your pay to prove it, if necessary. You probably already know that if your physician performs a service as a result of an order or referral, your claim must include the referring or ordering practitioner's national provider identifier (NPI). What many practices don't realize is that even if the physician has an NPI, he may not necessarily be in the PECOS system, and starting soon, you could face penalties if you perform services referred or ordered by doctors that are not part of PECOS or the MAC's claims system.

How this happens: If the referring/ ordering doctor has a valid NPI but has not updated his enrollment in the last five years, he may not be in the PECOS system.

Know the Penalty Phases

CMS has instituted two phases of penalties for practices that report services that are ordered or referred by physicians that aren't in PECOS or the MAC's claims system, according to MLN Matters article MM6417:

Phase 1: Between Oct. 5 and Jan. 3, 2010, your MAC will search the PECOS system and the MAC's own claims system for the ordering/referring provider. If the provider is not in PECOS or the claims system "the claim will continue to process and the Part B provider or supplier will receive a warning message on the Remittance Advice," the MLN Matters article advises.

Phase 2: After Jan. 4, 2010, CMS will hit you in the pocketbook by denying your claim if your ordering physician isn't part of PECOS or the MAC's claims system.

In fact, even if the ordering doctor is part of PECOS or the claims system, "but is not of the specialty to order or refer, the claim will not be paid. It will be rejected," the MLN Matters article warns.

This change will hit specialties that take a lot of referrals the hardest -- such as those that perform extensive diagnostic testing or labs, notes **Linda Groves, CPC, CPC-H**, president/ CEO of Accutrans Inc., a professional billing company in Painesville, Ohio.

The article outlines which specialties are allowed to refer or order services, and you can read it in its entirety at www.cms.hhs.gov/MLNMattersArticles/downloads/MM6417.pdf.

Keep Track of NPIs

CMS's new penalty phases will mean that your practice has to remain as vigilant as ever in tracking the NPIs of physicians that refer or order services. Although it may sound like an extra step, it could save you time filing appeals later down the road. "We set up all referring practitioners in our system with their NPI numbers," says **Connie Stevens**, compliance and reimbursement manager with Wenatchee Valley Medical Center in Washington. "We contact their office for the information and we check the NPPES system to make sure they are registered on that system," she advises.

If you are part of a specialty where you are subject to an unusual number of physician orders, you may want to put an extra step in place when you accept a physician order, during which you specifically request the physician's NPI.



NPI registry search: CMS created a searchable database that allows you to look up a physician's NPI if you can't get it from the practice. To access the registry, visit the CMS Web site at <https://nppes.cms.hhs.gov/NPPES/NPIRegistryHome.do>.