Part B Insider (Multispecialty) Coding Alert

RAC Audits: This RAC Illuminates 2 Commonly-Miscoded Services

Stay on top of these issues to keep your claims flowing smoothly.

Although most of the recovery audit contractors (RACs) haven't launched new review issues in the past few months, that doesn't mean they're spending their summers relaxing. One Part B auditor recently shared some of the most often miscoded services, and we've got the scoop on how you can avoid finding your way under the microscope going forward.

Region C RAC Connolly Healthcare has listed a dozen case studies on its website which outline common problems that the RAC auditors see during their visits. We've pinpointed two that impact Part B practices, along with tips on how to avoid these issues so you don't have to be the next practitioner to face auditor scrutiny.

1. Billing for Discarded Drugs

The problem: Connolly noted that if you're using a multi-use vial of drugs, you should only bill for the amount you administer rather than the whole thing. In one audit, "a payer was being billed for the entire multi-use vial of a high cost cancer injection rather than the administered dose," Connolly said. "Discarded amounts of the drug should not have been billed." Medicare recovered over $250,000 from just one provider for this errors, the RAC added.

The reality: This is confusing to many practices who are accustomed to billing for discarded portions of single-use vials, which Medicare does permit for single dose drugs such as Botulinum toxin. However, the policy is vastly different for multi-use vials of drugs like Herceptin, which can last for 28 days after reconstitution when stored properly. Therefore, billing for a full vial of multi-use drugs when you only use a portion of it is considered inappropriate.

The solution: One way to combat this potential problem is to appropriately schedule patients who require the same type of injection, thus ensuring that the multi-use vial won't be wasted.

"Multiple patients can receive their correct does from one multi-use vial," said CMS contractor NHIC Corp. in an article entitled Submitting Claims Correctly for Multi-Use Vial Medications. "Providers careful to schedule patients who will be receiving these multi-use vial packaged medications within the effective shelf life of a given vial of medication will keep wastage at an absolute minimum and are being good stewards of their resources."

2. Unbundling Claims

The problem: Connolly discovered that some providers were reporting two codes to represent work that could have been coded with a single CPT® or HCPCS codes. For instance, one provider billed two different codes for MRI scans: "One that represented the image without contrast (e.g., CPT® 74150) and one that represented the image with contrast (CPT® 74160) rather than the appropriate combined 'global' code (74170), which is an image without contrast followed by the introduction of additional images with contrast," Connolly said.

The reality: Each time coders erroneously billed this way, their MACs overpaid them by about $1,500 due to not billing efficiently, Connolly said. Because 74170 represents the entire service, there is no reason to report the other two codes⸺doing so is considered "unbundling," which is prohibited under Medicare.

The solution: Even if the Correct Coding Initiative doesn't bundle two codes, that doesn't always mean you're in the clear to bill them together. According to the MLN Matters booklet How to Use the National Correct coding Initiative (NCCI) Tools, "It is important to understand that the NCCI does not include all possible combinations of correct coding edits or types of unbundlings that exist. Providers are obligated to code correctly even if edits do not exist to prevent use of an inappropriate code combination."

Therefore, you should always review your CPT® manual, professional association guidance, MAC articles and other resources before selecting a code to ensure you aren't inadvertently unbundling codes that shouldn't be reported together.

Resource: To read more of the RAC's case studies, visit www.connolly.com/healthcare/Pages/CaseStudies.aspx.