

Psychiatry Coding & Reimbursement Alert

News You Can Use: Watch Out! These E/M Coding Errors Could be Tripping Up Your Claims

CMS finds improper E/M payment rate to a tune of 14.0 percent.

Don't forget to check if the 2012 Medicare Fee-for-Service improper payment rate is applicable to your practice as your practice might end up with E/M payments going down by 8.5 percent.

CMS's latest Comprehensive Error Rate Testing (CERT) results, which were released on Sept. 9, 2013, show that fewer errors occurred in 2012 than in the previous year; the fee-for-service error rate for 2012 was 8.5% compared to 2011's error rate of 8.6 percent. Most of the errors were discovered as overpayments--meaning that CMS identified \$28.5 billion that went out to Medicare providers in error, and chances are high that Medicare administrative contractors (MACs) will be asking for much of that money back, if they haven't already. In addition, CMS noted that it still owes \$1.1 billion to providers who were underpaid in 2012.

To create the CERT report, CMS reviewed 43,492 claims, including Part B, Part A and DME, according to the "Medicare Fee-for-Service 2012 Improper Payment Report." Auditors then pored over the claims to determine which had no documentation, insufficient documentation, incorrect coding, or reflected a medically unnecessary service.

Documentation: Surprisingly, Part B practices had a significantly higher error rate based on documentation problems than Part A providers, with Part B facing a 9.9 percent error rate as compared to 5.7 percent in Part A. Only durable medical equipment (DME) providers had a higher error rate, logging a 66 percent improper payment rate.

Incorrect coding: Part B providers rated the highest for incorrect coding errors, with a 0.8 percent error rate, which topped the Part A and DME rates. Not all of these errors reflected overpayments to practices--in some cases, doctors actually shorted themselves by coding incorrectly.

Medical necessity: Medical necessity errors were highest for Part A providers at 2.2 percent. Meanwhile, medical necessity errors associated with Part B and DMEPOS providers were only about 0.1%.

Avoid These E/M Errors

Interested in avoiding the most common culprits that led to such a high Part B error rate? Then you should nail down your E/M claims going forward.

E/M Claims: CMS found that providers improperly billed \$4.2 billion in E/M claims, resulting in a 14.0 percent improper E/M payment rate. If you want to avoid that type of error—which will most certainly result in auditors requesting refunds—double-check your E/M code level against the documentation for the provider's service. "Most of the improper payments for E/M services were due to incorrect coding and insufficient documentation errors," the CERT report states.

Often, the errors were due to practices submitting documentation that supported a different E/M level than what was billed. "If you are performing regular compliance audits for correct coding, then errors of incorrect E/M codes will be less likely," says Michael Weinstein, MD, Gastroenterologist at Capital Digestive Care in Washington, D.C., and former representative of the AMA's CPT® Advisory Panel. "It is also important to audit notes for the medical necessity of the level of service claimed." Other issues included insufficient documentation, no physician authentication, or wrong place of service.

Split/shared services: The CERT auditors also found a large number of errors when reviewing split/shared E/M services. "The split/shared E/M visit applies only to selected E/M visits and settings may be billed under the physician's



National Provider Identifier (NPI) if it meets the definition of a split/shared visit and meets all other requirements," the CERT report states. "The most common cause of improper payments for these claim types was insufficient documentation errors."

Overall, the following types of E/M services had the highest Part B error rates, according to the CERT report:

Service Error Rate

- Initial hospital visit 26.9%
- Critical care visit 26.3%
- New patient office visits 18.6%
- Established patient office visits 9.3%
- Emergency room visit 9.3%

Given that psychiatrists provide many of these kinds of E/M services, routine self-auditing of your practice's E/M claims and related documentation is important.

California, New York Top Error List

Geographically, New York was the state with the highest percentage of errors, logging a 12.6 percent error rate. Next was Ohio (12.2 percent error rate), followed by California (10.6 percent), Tennessee (10.1 percent), and Texas (9.5 percent).

To read the complete CERT results, visit

<http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/CERT/Downloads/MedicareFeeforService2012ImproperPaymentsReport.pdf>.