Document hosted at JD SUPRA

# Payment Matters®

Subscribe

Reprints

**Health Law Group** 

www.ober.com

**Payment Matters Archive** 

In this Issue

Medically Unlikely Edits
Now Available

Failure to Respond to Information Request May Result in Revocation of Billing Privileges

OIG Rolls Out its 2009 Work Plan – What Should Hospitals Be Aware Of?

## **Payment Group**

# **Principals**

Thomas W. Coons

Leslie Demaree Goldsmith

Carel T. Hedlund

S. Craig Holden

Julie E. Kass

Paul W. Kim (Counsel)

Robert E. Mazer

Christine M. Morse

Laurence B. Russell

Susan A. Turner

### **Associates**

Kristin C. Cilento

Joshua J. Freemire

Donna J. Senft

Mark A. Stanley

Emily H. Wein

**OCTOBER 29, 2008** 

# Medically Unlikely Edits Now Available

Carel T. Hedlund 410-347-7366 cthedlund@ober.com

At last, providers and suppliers can review most of the edits that Medicare has put into place to ensure that Medicare is not being billed for excessive services under Part B through incorrect coding or clerical errors. Beginning October 1, 2008, CMS is publishing a list of Medically Unlikely Edit (MUE) values for about 9,700 HCPCS/CPT codes, to check number of times a service is reported for the same patient on the same date of service for each code so as to improve the accuracy of claims submission. These edits are based on anatomical considerations (e.g., procedures performed on eleven fingers), code descriptors, CPT instructions, CMS policies, the nature of the procedure or service, and the nature of the equipment or analyte involved, and clinical judgment. The edits will be published on the CMS website at www.cms.hhs.gov/NationalCorrectCodInitEd/08\_MUE.asp.

CMS is withholding from publication those MUE values that it uses to detect and deter questionable payments rather than billing errors. CMS also cautions that the published MUE values should not be construed to be permissible utilization guidelines, and that only services that are medically necessary and reasonable should be billed.

The CMS Administrator, in announcing the release of these edits, touted that the MUE program will help "dramatically reduce costly payment errors." At the same time, however, CMS admitted that it has not yet determined if there have been any program savings in the MUE program since it was initiated in January 2007.

Depending on which claims processing system is used, providers and suppliers may have appeal rights concerning claims denied based on the MUEs. Those that have claims processed by Carriers and Part A/Part B Medicare Administrative Contractors (A/B MACs) using the MCS system or by Durable Medical Equipment MACs using the VMS system will be able to file appeals for claims denied using the MUEs. Those that have claims processed by fiscal intermediaries or A/B MACs using the Fiscal Intermediary Shared System (FISS) will have claims that fail the edits returned, so no claim denials occur.

**Ober|Kaler's Comments:** Having these MUE values available should help providers and suppliers in developing billing compliance protocols and in responding to RAC audits.

Copyright© 2008, Ober, Kaler, Grimes & Shriver