Inspector Detector

Implants---How Deep Do You Have to Look?---A Follow-up

In our last newsletter, we reviewed Revenue Code 278 (Medical/Surgical Supplies and Devices-Other Implants) and the billing for implants by facilities. The number and variety of implants has increased with technology and this trend is expected to continue. Technology has allowed for a shorter recovery period for many procedures that, in the past, kept patients from work and/or activity for extended periods of time. We have found through extensive review of claims that implants are billed in varying numbers and dollar amounts. The initial look at a claim may or may not tell you what is being billed. Recent review of claims indicates that providers may be billing for implants under Revenue Code 270 (Medical/Surgical Supplies and Devices-General) or 271 (Medical/Surgical Supplies and Devices Non-Sterile Supply). Costs that seem out of line for the procedure being performed should prompt questioning. Is the move to billing under other revenue codes the result of poor billing practices, is this an attempt to bypass any standard review of implants, or could this possibly be an attempt to bypass any contract rate in place for Revenue Code 278? Who is billing for the implant is important also—is it the facility, a vendor, or the company that manufactured the implant?

It is difficult to know when and/or if a claim should undergo review. Criteria should be developed based on your paid claims experience and should be reviewed on an ongoing basis. Activity seen during the review, positive or negative, should be closely monitored and criteria should be revised based on what is seen during the review. Review of an itemized statement and implant log is key when performing any review.

Suggestions for criteria may include:

- Paid claims experience with provider
- Contract (Review current &/or create new language)
- Dollar threshold
- Frequency of procedure/implant(s)
- Changes in billing patterns

It is paramount that provider contracts have language that either identifies specific reimbursement for Revenue Code 278 or an allowed cost increase or mark up. Contracts may also need to be completed with a vendor. If contracting with a vendor, language for both the facility contract and the vendor agreement should be clear as to who has responsibility for billing the implant, to ensure that the implants are not reimbursed twice.

<u>Case Examples</u>

#1—A facility bill for a 31 year old with a diagnosis of "Displacement of Cervical Intervertebral Disc". The facility bill has the cost for the procedure (CPT 63081) at $17,750. Revenue Code 278 is billed with 14 units at a billed amount of $52,996.00. Surgery was apparently done on one cervical level; the number of units billed seems high and the billed charges are excessive for the procedure performed.

#2—A facility bill for a 48 year old admitted for bunion surgery. The operative procedure billed is CPT 28296 "Bunionectomy" for a billed charge of $2,378.00. Revenue Code 278 is billed with 4 units at a billed amount of $49.00. Revenue Code 271 which, by definition, describes non-sterile medical/surgical supplies, is billed with 1 unit at a billed charge of $5,665.96. Surgery for a bunion has very few implants so it is not felt that the large dollar amount under Revenue Code 271 is meant to reflect implants, but what non-sterile supplies could be used for that dollar amount?

#3—A facility bill for a 55 year old female admitted for stress incontinence and cystocele repair. CPT 57240 (Cystocele repair) billed at $1,495. Revenue Code 278 with code C1771, indicating a repair device for urinary incontinence, billed at $3,394.70. Another line submission of Revenue Code 278 is also billed with 1 unit for $4,967.55. It is unclear what this second submission of the revenue code is meant to represent. Code C1771 would be appropriate and expected for the diagnoses and the surgery performed. Case opened for further investigation of the second submission of Revenue Code 278.

The Inspector Detector is a complimentary benefit to TC³ payer clients. It is our hope that the newsletter will serve as one more vehicle in our ongoing Fraud Awareness Training & Education campaign for our clients. Please refer potential fraud cases to our Fraud hotline at 866-949-3711.

If you would like to add others to this distribution please respond by providing their names and email addresses. If you do not wish to receive this communication please respond to this email requesting to be removed from the distribution. For inquires please contact TC³ Health at - info@tc3health.com