

National Correct Coding Initiative

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February 6, 2013

Ms. Marie L. Mindeman, BA, RHIT
Ms. Karen O'Hara, BS, CCS-P
American Medical Association
511 North State Street
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Dear Ms. Mindeman and Ms. O'Hara:

The Centers for Medicare & Medicaid Services (CMS) is modifying the Medicare Medically Unlikely Edit (MUE) program to address a program vulnerability, and the changes will affect some providers. Some MUEs will become date of service (DOS) edits replacing the current claim line edits. We are providing information about the modification and request that you share it with national healthcare organizations (NHOs). Additionally, this letter provides important time-sensitive information for providers that will help them avoid claim denials due to the change in the MUE program.

The Centers for Medicare & Medicaid Services (CMS) implemented the Medically Unlikely Edit (MUE) program on January 1, 2007 to reduce the Medicare Part B paid claims error rate. An MUE is a same provider, same patient, same date of service edit. An MUE value is the maximum units of service (UOS) that most providers would report for a HCPCS/CPT code for the vast majority of patients receiving the service for the same patient on the same date of service. Although CMS defined MUEs based on UOS for a date of service, it implemented MUE claim adjudication rules applying the MUE value for a HCPCS/CPT code against the UOS reported on each line of a claim rather than the date of service.

Government Accountability Office (GAO) and Office of Inspector General (OIG) studies uncovered vulnerabilities in the MUE program and have determined that some providers are receiving excess payments because they are reporting the same code on more than one line of a claim inappropriately. The GAO has recommended that MUEs be converted to date of service edits where possible.

CMS is modifying the MUE program so that some MUE values will be DOS edits, rather than claim line edits. Those edits converted to DOS edits will be assigned to one of two categories. A HCPCS/CPT coded procedure that would "almost never" be reported with more UOS than the MUE value based on criteria such as anatomic considerations or HCPCS/CPT code descriptor will be assigned to one category, and CMS would expect that such HCPCS/CPT codes would rarely, if ever, be paid for more units of service (UOS) than the MUE value. For example, CMS would expect that UOS paid for CPT code 33945 ("Heart transplant . . .") would never exceed the MUE value of "1". The other category of DOS edits will be utilized for HCPCS/CPT codes where CMS expects that paid UOS in excess of the MUE value would occur very uncommonly. For example, CPT code 58150 describing a hysterectomy would be included in this category since duplication of the uterus may occur in 1 in 10,000 to 1 in 20,000 women. **An MUE claim denial based on a DOS MUE may be appealed in the same manner as current MUE claim denials.**



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Since this change in the MUE program is required due to documented program abuses, CMS will not publish which MUEs are DOS MUEs as opposed to claim line MUEs. Providers who code correctly should not be impacted by this MUE program change. However, **there is one common coding error that the AMA and NHOs should inform their members about that will reduce the number of claim denials due to DOS MUEs. CMS requires providers (except ambulatory surgical center (ASC) facilities) to report a bilateral surgical procedure on a single claim line with modifier 50 and one (1) UOS.** The AMA and NHOs should also remind providers to use anatomic modifiers (e.g., RT, LT, FA, F1-F9, TA, T1-T9, E1-E4) and report procedures with differing modifiers on individual claim lines when appropriate. Many MUEs are based on the assumption that these modifiers are used correctly.

Since Medicare does not permit ASC facility providers (specialty type 49) to report modifier 50 with one UOS on a single claim line for bilateral surgical procedures, ASC facility providers generally report a bilateral surgical procedure on two claim lines using modifiers RT and LT on separate claim lines and 1 UOS on each claim line or on one claim line with two UOS.

CMS plans to implement the first date of service MUEs in the April 1, 2013 version of MUE. **In order to prevent unnecessary claim denials, CMS requests that the AMA and NHOs remind their members about the proper use of modifier 50 for bilateral surgical procedures prior to that date.**

Any organization that wishes to comment should send its comments to Correct Coding Solutions, LLC (email: linda.dietz@correctcodingsolutions.com). Comments will be discussed with the CMS MUE Workgroup.

CMS and we appreciate your assistance with the NCCI and MUE programs.

Sincerely,

Signed electronically by Niles R. Rosen, M.D.

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