

# In compliance...

## ...with Medicare multiple procedure reduction

by the Division of Advocacy and Health Policy

**M**edicare has found an error in its claims processing system. For some reason, the system does not take the multiple procedure reduction when the procedures are reported on separate claims. Unfortunately, Medicare considers this occurrence to be an overpayment and seeks a refund. Therefore, it is necessary to avoid submitting multiple procedures on separate claims.

Although this problem may occur when three or more procedures are reported, in the interest of simplicity, an example of two procedures reported will be used in this article.

There are two ways this problem might occur:

- The multiple procedures may be reported on separate claims when someone fails to report both procedures on the initial claim. In this scenario, the initial claim would contain one procedure code and a subsequent claim would contain the other procedure code.

- Multiple procedures may be initially reported on the same claim but, for whatever reason, one procedure is paid and the other is denied because some information is incorrect (for example, the diagnosis). In this scenario, a subsequent claim would be prepared with the correct information but including only the denied procedure.

Medicare's claims-processing system can automatically detect and apply the appropriate multiple procedure reduction when the multiple procedures are on one claim. Medicare will fix its claims processing system so it will automatically reduce the amount it pays if the multiple procedures are reported on separate claims.

In the meantime, you can avoid this situation by reporting all procedures on the second claim even if you know one or more will be denied as a duplicate. If you submit one claim and subsequently realize you failed to include all the procedures, resubmit what you submitted previ-

### Around the corner

#### May 2007

- Economedix will hold two teleconferences this month. The first, on May 9, is Benchmarking Practice Productivity and Profitability. The second, on May 23, is Appealing Third-Party Insurance Claims. For more information and to register, go to <http://yourmedpractice.com/ACS/>.

- ACS-sponsored basic and advanced coding workshops for surgeons will be held May 3-4 in Baltimore, MD. To register, visit the ACS coding workshop Web page at <http://www.facs.org/ahp/workshops/index.html>, or call Stephanie Flynn at 312/202-5244. Hotel registration for this course has been extended to April 9.

#### June 2007

- Economedix will hold two teleconferences this month. The first, on June 6, is Practice Marketing Strategies and Techniques. The second, on June 13, is Negotiating Better Third Party Contracts. For more information and to register, go to <http://yourmedpractice.com/ACS/>.

ously, and the additional procedure codes that have not been submitted. If the original claim was partially paid and partially denied, prepare a new claim that includes both the procedures that were paid and the procedures that were denied with the correct information added.

For open procedures, the first procedure is paid at 100 percent of the fee schedule amount and the second through the fifth procedures are paid at 50 percent of the fee schedule amount. If more than five procedures are performed, the claim is priced manually.

For endoscopies, the highest-valued endoscopy is paid at 100 percent. The other procedures are

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paid an amount equal to the difference between the base endoscopy and the procedure actually performed. The base endoscopy is generally the first one in the series of codes. For example, Current Procedural Terminology\* code 45378, *Colonoscopy, flexible, proximal to*

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*splenic flexure; diagnostic, with or without collection of specimen(s) by brushing or washing, with or without colon decompression (separate procedure), is the base code for the entire series of colonoscopies through code 45392, Colonoscopy, flexible, proximal to splenic flexure; with transendoscopic ultrasound guided intramural or transmural fine needle aspiration/biopsy(s).* Ω