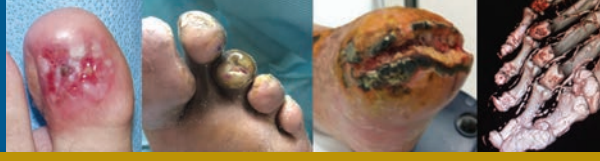


Therapeutic Shoe Bill Update

Is it time to reconsider participation in this program?

BY PAUL KESSELMAN, DPM

In continuing with tradition, my article in this November issue is dedicated to providing a review on appropriate footwear for patients with diabetes. No part of that review would be complete without some discussion regarding the continued problems associated with Medicare's reimbursement policy for therapeutic shoes (TSPD). At the 2015 APMA Clinical Conference, most attendees agreed that the policy is overly burdensome and therefore have done one of the following:

1) Quit providing therapeutic shoes and refer patients to a commercial supplier (e.g., shoe store);

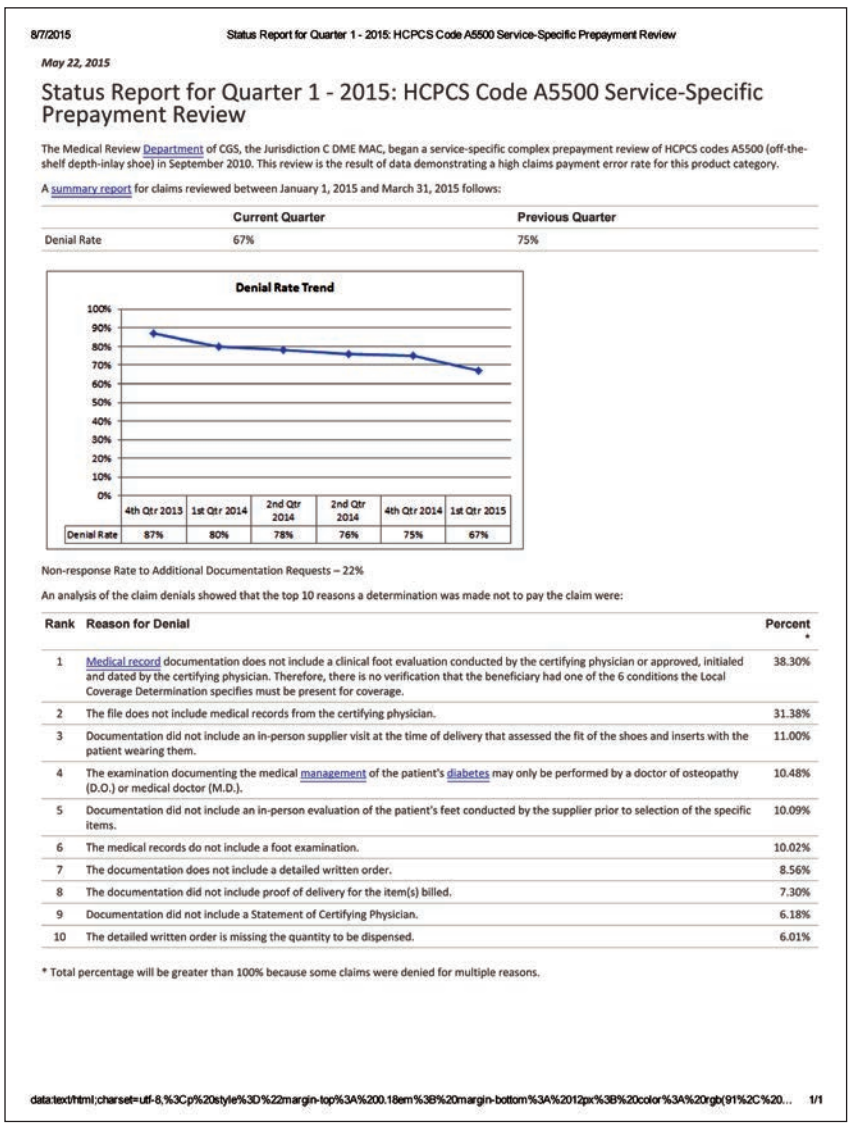
2) Considered quitting, but are reluctant to do so due to fear of antagonizing/losing patients;

3) Are enthusiastic to start participating;

4) Determined to persevere and continue to participate;

5) Have increased their therapeutic shoe business due to referrals from other practitioners; and lastly

6) Never participated as DME Suppliers.



8/7/2015 Status Report for Quarter 1 - 2015: HCPCS Code A5500 Service-Specific Prepayment Review

May 22, 2015

Status Report for Quarter 1 - 2015: HCPCS Code A5500 Service-Specific Prepayment Review

The Medical Review Department of CGS, the Jurisdiction C DME MAC, began a service-specific complex prepayment review of HCPCS codes A5500 (off-the-shelf depth-inlay shoe) in September 2010. This review is the result of data demonstrating a high claims payment error rate for this product category.

A summary report for claims reviewed between January 1, 2015 and March 31, 2015 follows:

	Current Quarter	Previous Quarter
Denial Rate	67%	75%

	4th Qtr 2013	1st Qtr 2014	2nd Qtr 2014	2nd Qtr 2014	4th Qtr 2014	1st Qtr 2015
Denial Rate	87%	80%	78%	76%	75%	67%

Non-response Rate to Additional Documentation Requests – 22%

An analysis of the claim denials showed that the top 10 reasons a determination was made not to pay the claim were:

Rank	Reason for Denial	Percent *
1	Medical record documentation does not include a clinical foot evaluation conducted by the certifying physician or approved, initialed and dated by the certifying physician. Therefore, there is no verification that the beneficiary had one of the 6 conditions the Local Coverage Determination specifies must be present for coverage.	38.30%
2	The file does not include medical records from the certifying physician.	31.38%
3	Documentation did not include an in-person supplier visit at the time of delivery that assessed the fit of the shoes and inserts with the patient wearing them.	11.00%
4	The examination documenting the medical management of the patient's diabetes may only be performed by a doctor of osteopathy (D.O.) or medical doctor (M.D.).	10.48%
5	Documentation did not include an in-person evaluation of the patient's feet conducted by the supplier prior to selection of the specific items.	10.09%
6	The medical records do not include a foot examination.	10.02%
7	The documentation does not include a detailed written order.	8.56%
8	The documentation did not include proof of delivery for the item(s) billed.	7.30%
9	Documentation did not include a Statement of Certifying Physician.	6.18%
10	The detailed written order is missing the quantity to be dispensed.	6.01%

* Total percentage will be greater than 100% because some claims were denied for multiple reasons.

Figure 1: Claims Error Rate for Therapeutic Shoe Claims

More than likely your practice fits one of these profiles and was driven to one of them as a result of the auditing practices of the regional DME MAC, some of which have been more persistent in auditing these types of claims. Some DME MAC have more targeted audits based on a supplier location (within a specific DME MAC), whereas others have been suggested to have target selected supplier types. Whether or not a specific supplier type is more apt to be audited in reality is unclear. Other DME MACs have far fewer and more random audits on therapeutic shoe clams.

The statistics presented in the remainder of this article should offer readers some level

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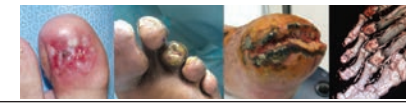

Shoe Bill *(from page 101)*

of re-assurance about their decisions to either continue their participation as therapeutic shoe providers or provide some reasons for reconsideration of their decision to discontinue participation.

In the spring of 2015, DME MAC C Cigna Government Services provided a synopsis of the error rate on claims for TSPD covering the previous 1.5 years. A quick review illustrates that the overall error rate has dropped by a significant percentage rate, from a high of 87% to its current rate of 67% (see Figure 1).

Further analysis of Figure 1, however, is necessary and should provide some deeper understanding of a much lower potential error rate for your practice than proposed by the DME MAC. One obvious statistic that should reduce this error rate is that approximately 22% of suppliers contacted for further information failed to submit the required documentation. Given that most podiatrists would respond to an audit, the error rate should be reduced another 15%-20%. Not so obvious is the fact that only a small percentage of actual claims (10%-20%) were actually audited (pre or post payment). These two factors alone should warrant reconsideration to resume participating for those who have left the program and should reassure those who have remained.

One obvious statistic that should reduce this error rate is that approximately 22% of suppliers contacted for further information failed to submit the required documentation.

Further analysis of the statistics cited in Figure 1 points to a largely overstated potential claims error rate due to the lack of a foot examination, patient's name, date of service, podiatrist's signature and date. These are certainly all elements under the podiatrist's control and can further serve to deflate an overly inflated error rate.

As for obtaining the required documentation from the MD, this can't be overstated—this is not the Medicare "Free Shoe Program." Many MD/DO physicians have

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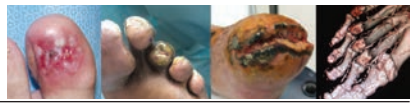

Shoe Bill *(from page 102)*

balked at providing the required documentation simply because they feel their patients don't really need anything special. This puts the burden on the prescribing physician to educate the patient when they really need therapeutic shoes and when they do not. Similarly, it is up to the prescribing physician to properly educate the physician managing the diabetes mellitus, when the patient does meet the requirements. Speak with your allopathic and osteopathic colleagues as a physician with the focus of reducing the patient's risk of diabetic foot ulcers. This is a far more effective tool than simply being seen as just another supplier who sends paperwork to an already overburdened primary care physician's office. Having shared an office with a primary care physician for well over thirty years I can empathize with the amount of paper (virtual or otherwise) which they are subjected to. Putting oneself in their shoes can be a very exasperating experience. It may also serve to make you more sympathetic to their plight and why some have balked at what they see as a program wasting millions of dollars on "free shoes."

Many therapeutic shoe manufacturers and vendors have excellent and no-cost compliance programs which can assist their clients with obtaining the required elements from the certifying MD/DO. Some will obtain the required documentation prior to shipping your order. APMA's DME webpage also has a significant amount of information available to assist you with complying with the documentation required by the TSPD LCD. It is hopeful that by the time of this writing some of the DME MAC

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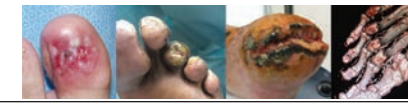

Shoe Bill *(from page 103)*

will also have an easy-to-follow workflow on their website, which one can use as a cheat sheet.

The last overall statistic not accounted for is that the overall statistic illustrated in Figure 1 is not reflective of the pre-payment denials that are overturned on appeal at either the reconsideration or ALJ level. These are overwhelmingly decided in favor of the supplier.

The MD/DO who fails to sign off on a patient's need for shoes could somehow be held accountable should your mutual patient require an amputation.

As for the future of either the provision of shoes or the examination of the patient, there are two newsworthy efforts to consider. One is with regards to ICD-10. The other is with respect to PQRS or other modifiers which may be added in 2016:

At about the time this article is published, more HEDIS (HealthCare Effective Data and Information Set) programs for 2016 will be released. These measures are actually the source of most PQRS measures used by CMS carriers. Some of these measures may be expanded and soon may be required by more than 90% of commercial insurance carriers.

There is a "buzz" that the Medicare PQRS measures may be enhanced or changed to "value modifiers" which would impact all providers. That is, all providers who have the potential to impact the patient's diabetic foot care and reduce the "risk" of amputation but fail to do so would be negatively impacted.

Similarly, those who actually perform procedures which do reduce the potential for amputation will be positively rewarded. That is, the MD/DO who fails to sign off on a patient's need for shoes could somehow be held accountable should your mutual patient require an amputation.

An error rate of less than 35% should ease the concerns many have about either their continued participation, or could serve as an incentive to return to participating.

The reader is well advised to do some in-depth analysis of his/her own concerning the statistics provided herein. It is quite easy to imagine an error rate far less than 50% cited by Medicare. An error rate of less than 35% should ease the concerns many have about either their continued participation, or could serve as an incentive to return to participating. **PM**

Dr. Kesselman is in private practice in NY. He is certified by the ABPS and is a founder of the Academy of Physicians in Wound Healing. He is also a member of the Medicare Provider Communications Advisory Committee for several Regional DME MACs (DMERCs). He is a noted expert on durable medical equipment (DME) for the podiatric profession, and an expert panelist for Codingline.com. He is a medical advisor and consultant to many medical manufacturers.