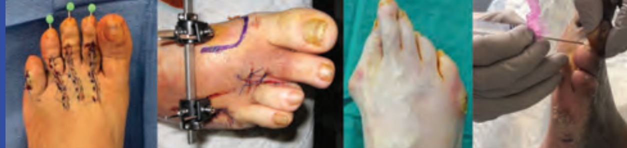

DME Audits Are Back

Proper documentation is the key to preventing payment problems.

BY PAUL KESSELMAN, DPM

Many have seen headlines about a physician facing either a long prison sentence or significant financial penalties due to allegations of fraud or abuse. In many cases the prison sentences or fines are well justified. However, in some cases, the physician may in fact be innocent of fraud and may be the victim of an overzealous auditor. This month's column will provide a broad overview of the current auditing process as it affects many commonly used codes by podiatric physicians. Next month's column will provide further details on one small practice's experience with an overzealous response by a Medicare auditor.

During the public health emergency (PHE), CMS has been very lenient with respect to claims review, as they understand that "all hands are on deck" at most provider locations. This allows providers who are short-staffed (and possibly overwhelmed with acutely ill patients) to concentrate only on providing care to the most beneficiaries. CMS has to its credit recognized these unique challenges and has relaxed many paperwork regulations. This has allowed providers to concentrate more on providing care but may have lulled many into a false sense of security with respect to proper documentation requirements.

After almost 18 months, CMS has reinstituted pre- and post-payment reviews on DME services, including those often provided by podiatrists with dates of service within the PHE (subsequent to March 2020). This includes AFO devices (custom L1970 as well as OTS and custom fitted L4360/1, L4386/7 and L4396/7) as well as therapeutic shoes (A5500-A5514) and surgical dressings. RAC and SMRC audits which were also suspended are now back in effect for these same HCPCS codes.

Compliance with the LCD requirements will minimize risks for failing both DME and local MAC audits whether by the payor or other carrier(s).

The procedures and their associated CPT codes that the Local MAC will review are still unknown at this time. However, previous frequent audits of diabetic foot care resulted in high failure rates. This was noted for both pre-payment and post-payment audits. It may be safe to assume CMS will reinstitute those audits soon.

In order to properly prepare for such audits, it is imperative that providers frequently review their chart documentation to ensure compliance with the LCD for those CPT/HCPCS codes. Compliance with the LCD requirements will minimize risks for failing both DME and local MAC audits whether by the payor or other carrier(s).

For DME, compliance with LCD requirements comes in two parts: first, the exact LCD for the HCPCS codes (e.g., therapeutic shoes for diabetics); and second, those required by the National Supplier Clearinghouse (NSC). Frequent failures for therapeutic shoes, AFOs and surgical dressings are the result of a combination of failure to adhere to either the LCD or NSC requirements.

DME MAC LCD failures result from a lack in the provision of: certifying physician notes, corroboration of the supervising/certifying physicians with the prescriber's notes, lack of a supervising/certifying physician's statements, lack of fitting/dispensing notes, etc. AFO documentation often fails to provide a lack of objective findings (e.g., deformity in more than one plane and need for correction in more than one plane). Surgical dressing audits often fail due to a lack of providing proper measurements, dates of recent debridement, exudate amounts, etc.).

From the NSC perspective, failures are due to lack of a written proof of delivery, failure to provide a warranty, etc.

Diabetic Foot Care

For diabetic foot care, leading errors include the failure to properly document local qualifying findings, or failure to document objective qualifying findings which corroborate the

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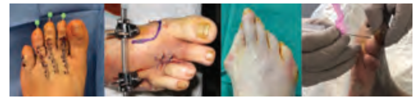

Audits *(from page 127)*

diagnostic coding. There is also the failure to name the MD/DO who is treating the DM in the medical chart. It is insufficient to simply place the name of the MD/DO and their NPI on the claim form. Another common failure results from not referencing previous dates of services (on the date subject to review), and stipulating that a previous date of service contains extensive documentation of qualifying findings. For wound care, it is important to document the drainage, measurements of the wound (including depth), what type of debridement took place and what tissue was actually debrided.

It is important to understand that the auditors are under immense pressure from CMS and their employer carriers to review enormous amounts of data on a daily basis. As opposed to someone you hire to review your charts and assist your attorney or Administrative Defense Carrier, Medicare auditors may have a production schedule in reviewing your charts. To fit that schedule, it is important that your charts are legible (if you are still using pen/paper). If you are using an EHR, it is important that your notes flow easily and that the essential elements required by the LCD can be easily identified by the auditor. Having a four page note for at-risk foot care, where the required elements are difficult to identify, will often result in a failure on the part of the auditor. If there are sufficient notes which fail, the carrier may choose to extrapolate other charts which were not reviewed, leading to a request for a huge recoupment—this despite the fact that your notes possibly contain the required essential elements.

Needlessly having to appeal claims which contain the correct documentation, but in a difficult-to-digest or incorrect format, may result in excess costs to your practice for appealing, creating havoc with your cash flow.

In summary, both pre-payment (TPE) and post-payment reviews are back for both DME and local MAC claims, both before and subsequent to March 2020. With many practices still having trouble staffing and the reintroduction of audits, it is important that your documentation matches the requirements of the LCD. By passing the first round of TPE, one can minimize cash flow interruptions. By passing post-payment audits, one may also avoid recoupments and extrapolations, both of which can devastate your bottom line. **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.