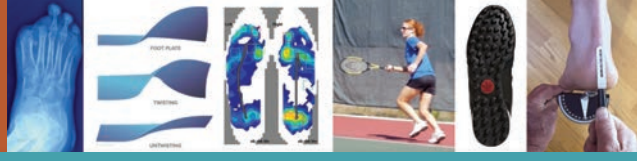

Recoupment and Recovery Audit Contractor (RAC) Audits

Proper documentation is the key to passing an audit.

BY PAUL KESSELMAN, DPM

Recoupment and Recovery Audit Contractor (RAC) Audits

CMS has authorized a RAC recoupment process on a wide range of custom fitted orthotic devices. Some of these have been going on for some time (e.g. L4386, L4360, L4396) all of which also have Off the Shelf versions (e.g. L4387, L4361 and L4397). The reason why the former set of codes is being audited is that Medicare (and the RAC) are primarily focusing on what the provider did to custom fit the device at the time of delivery. If the device only required minimal modifications (e.g.,strap modifications) this comes under CMS' definition of minimal self-adjustment and does not qualify as custom fit or indicate modifications by an individual with special expertise. This is an easy recoupment for Medicare, and providers can easily avoid difficulties by using the proper set of coding (the higher number of the paired sets).

It is important to also remember that both devices within each code pairing are pre-fabricated. The expanded code set contains a higher number (off-the shelf) and lower number (custom fit). Each code within a specific pair set is paid the same fee because of statutory issues. Thus, it is advisable to only bill for the custom fit HCPCS codes, when a qualified person, such as a physician, does something to the device at the time of delivery that significantly alters the device from its packaged state, rendering it unique for a specific patient. The most common examples Medicare provides are to bend, mold, heat, grind—i.e., an action that significantly alters the device.

post-payment audits on devices which do not have an off-the-shelf HCPCS code pairing, but instead may have a custom fabricated version (e.g. L1950). One example is L1951, which has at the end of its narrative "… prefabricated, includes fitting and adjustment". This

What is new to many is the RAC is now also performing post-payment audits on devices which do not have an off-the-shelf HCPCS code pairing, but instead may have a custom fabricated version (e.g. L1950).

One can easily distinguish the difference between the custom fit vs. off-the-shelf paired sets, not only by the sequential number order (the custom fit is always lower), but by the inclusion of "… pre-fabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise" into the narrative of the custom fit device. Whereas the higher numbered HCPCS in a pair set will simply state "….pre-fabricated off-the-shelf."

Chart documentation must include exactly what you did and why you did it at the time of delivery.

What is new to many is that the RAC is now also performing

is easily distinguished from its custom fabricated cousin which states a similar narrative but instead ends with "custom fabricated." Typically, the L1951 most often used today by providers describe devices that are assembled and modified in the laboratory based on the measurements and specifications providers submit to the laboratory. Unfortunately, because this does not happen at the time of delivery and the provider's chart documentation does not include any modifications at the time of delivery, many providers are derailed by the RAC.

In order to pass this type of audit, one must again document what was done to the device at

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the time the device was fitted to the patient, rendering the device unique for use by one patient and thus custom fit. Some examples would be twisting or heating the device to improve frontal plane motion. One essential element of custom fitting required for many L1951 devices has to do with how the device will be attached to the shoe. Thus, it is essential that detailed documentation of how at the time of delivery the shoe calipers from the device were attached to the shoe must be clearly noted. That the shoe was then affixed to the device via the caliper in a specific way to accommodate the patient's needs must also be documented. Any pins or plugs to limit motion in any direction should also be noted. All of these are well beyond the limits of the minimal self-adjustment rule.

The chart note on the date of delivery must specifically state exactly what the provider did to render that pre-fabricated device unique for that one specific patient.

To conclude, any devices which can be described as either …" a pre-fabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise" or… "includes fitting and adjustment" are by definition custom fitted devices. The chart note on the date of delivery must specifically state exactly what the provider did to render that pre-fabricated device unique for that one specific patient. Furthermore, the provider must state that the adjustments go well beyond the definition of minimal self-adjustment and these modifications required the skills of a qualified provider. **PM**

Dr. Kesselman is board certified by ABFAS and ABMSP. He is a member of the Medicare Jurisdictional Council for the DME MACs' NSC and provider portal subcommittees. He is a noted expert on durable medical equipment (DME) and an expert for Codingline.com and many third-party payers. Dr. Kesselman is also a medical advisor and consultant to many medical manufacturers and compliance organizations.