

**“MEDICALLY UNNECESSARY EDITS” (MUEs)
FOR CERTAIN PARTIAL HOSPITALIZATION CODES**

Sent: Wednesday, December 10, 2008 9:16 AM

To: Kathleen McCann, RN, PhD, Director of Clinical & Regulatory Affairs, National Association of Psychiatric Health Systems

From: National Correct Coding Initiative, Correct Coding Solutions, LLC

Subject: FW: MUE and partial hospitalization services

GENERAL INFORMATION ABOUT THE MEDICALLY UNLIKELY EDIT(S) PROGRAM:

The Centers for Medicare and Medicaid Services (CMS) publishes most MUE values on its website as of October 1, 2008, at http://www.cms.hhs.gov/NationalCorrectCodInitEd/08_MUE.asp#TopOfPage. MUEs are updated on a quarterly basis - January 1, April 1, July 1, and October 1 every year. Additional MUE values will be published in the future. Although most MUE values are published, some MUE values for HCPCS/CPT codes remain confidential due to concerns about fraud and abuse. CMS considers unpublished MUE values to be confidential and does not permit us or other contractors to release them. CMS owns the MUE and determines its contents.

Claim line denial or RTP messages may not be specific to MUE. Past experience has shown that providers sometimes attribute denials to MUE when other local contractor edits are responsible. There are other edits that may be applied by the Medicare claims processing contractors which affect the units of service reported for a HCPCS/CPT code.

MUE is a program of the CMS designed to reduce the Medicare Part B paid claims error rate. An MUE is a units of service (UOS) edit for a HCPCS/CPT code for the same provider, same beneficiary, same date of service. MUEs have been set so that the **vast majority of properly reported claims will have UOS less than or equal to the MUE for a HCPCS/CPT code** if all UOS are reported on a single line of the claim. **MUEs are adjudicated against the HCPCS/CPT code on each line of a claim rather than the entire claim. Since a very small percentage of claims may report medically reasonable and necessary UOS in excess of an MUE,** CMS recognizes that providers may occasionally report the same HCPCS/CPT code on more than one line of a claim with appropriate CPT modifiers. CPT modifiers should be utilized for this purpose only when their use conforms with the definition of the CPT modifier, and the additional UOS are medically reasonable and necessary.

The use of modifiers to report units of service (UOS) in excess of the MUE value for a code in most circumstances should be very rare since the MUE values were set so that the vast majority of properly reported claims will have UOS less than or equal to the MUE for a HCPCS/CPT code if all UOS are reported on a single line of the claim. CPT modifiers should be utilized for this purpose only when their use conforms with the definition of the CPT modifier, and the additional UOS are medically reasonable and necessary.

Please refer to the above website where you will find the MUE FAQs (Frequently Asked Questions and Answers). Question #8736 addresses how to report **medically reasonable and necessary** services above the MUE value.

If the UOS reported on a claim line exceeds the MUE for the HCPCS/CPT code on that line, the claim is returned to the provider (RTP) at the Fiscal Intermediary or A/B MAC processing claims with the FISS system. Since MUEs are set to allow the vast majority of appropriate claims to pass the edit, a provider should experience very few claim line denials or RTPs due to an MUE.

SPECIFIC INFORMATION ABOUT THE MUE VALUES FOR PARTIAL HOSPITALIZATION PROGRAM HCPCS/CPT CODES:

The MUE values for these HCPCS/CPT codes were reviewed by national healthcare and professional society organizations whose members perform these services prior to implementation. These organizations had an opportunity to disagree with the proposed MUE value and provide an alternative recommendation with rationale.

For outpatient hospital services only, the MUE values for PHP HCPCS/CPT codes listed below are published on CMS' website as of October 1, 2008 as the following:

90853 - 3
90857 - 3
G0129 - 1
G0176 - 1

Due to recent changes in the Partial Hospitalization Program which will take effect on January 1, 2009, CMS has decided to increase the MUE values for these four codes in the next quarterly version update of the MUEs which will be implemented with an **effective date of January 1, 2009**. These new values will also be posted on January 1, 2009 on CMS' website.

PROCEDURE TO FOLLOW IN THE INTERIM IF CLAIM IS RTP'D FOR MUE BEFORE MUE VALUES ARE CHANGED ON JANUARY 1, 2009:

CMS and CCS LLC recommend that providers:

1. Confirm that their denials (or RTPs) are **NOT** due to local edits.
2. Verify that the appropriate code has been selected for reporting the service.
3. Confirm that the HCPCS/CPT code is being used correctly.
4. Validate that the unit of service is being counted correctly.
5. Confirm that he/she is properly reporting **medically reasonable and necessary services**.
6. Refer to the MUE FAQ #8736 on CMS' website at http://www.cms.hhs.gov/NationalCorrectCodInitEd/08_MUE.asp#TopOfPage for reporting medically reasonable and necessary services in excess of the MUE value.
7. Report the code without a modifier on one claim line with the units of service equal to the MUE value.
8. Select the appropriate modifier to append to the HCPCS/CPT code (modifiers -76 or -77, modifier -59 as appropriate are among the choices) and report the HCPCS/CPT code with the modifier on the second (or subsequent claim lines if necessary) claim line for units of service reported in excess of the MUE value.
9. Confirm that he/she is reporting units of service using modifiers as intended by CPT.
10. As a last resort, the provider has the option to delay billing services for HCPCS/CPT codes on claims RTP'd due to units of service reported in excess of the MUE values until after January 1, 2009 when the changes in MUE values for these particular codes have been implemented in the FISS claims processing systems.

REQUEST FOR RECONSIDERATION OF AN MUE VALUE FOR A CODE:

Correct Coding Solutions LLC (CMS' national Medicare contractor for the NCCI and MUE) does evaluate for CMS the appropriateness of MUE levels set by CMS when requested by third parties. If your organization or individual providers disagree with an MUE value for a code, you may request a reconsideration of the MUE value.

We recommend that the providers first contact a national hospital or professional society organization whose members perform these services with their concerns.

Although individual providers may write us requesting that CMS reconsider the MUE value for a code, it is better if an organization that reviewed the MUE values when they were in their proposal status participates in their request. If an individual provider decides to request a reconsideration of the MUE value of any of these codes without the assistance of a national healthcare organization, the provider must submit an alternative recommendation for the MUE value and the rationale for his/her

recommendation. CMS has extensive claims data which it uses to evaluate requests for reconsideration of MUE values. Requests for review of an MUE value must include a rationale why the current value is incorrect and an alternative recommendation for the MUE for the code.

If the providers or your organization want to request a reconsideration of an MUE value for a particular code, they or you should fax us a letter at 317-571-1745 or send us a letter with the above information at the following address:

National Correct Coding Initiative
Correct Coding Solutions, LLC
P.O. Box 907
Carmel, IN 46082-0907

Correct Coding Solutions, LLC (CCS LLC) does not provide coding advice or explanations for specific MUE values. CCS LLC does not adjudicate claims or process appeals. Providers must contact their own Medicare claims processing contractors to resolve the claims issues.

If providers see any of the following, they should contact their local Medicare claims processing contractor for resolution:

1. Units of service totaled for a code on the same date of service and claims RTP'd because this total number is in excess of the MUE value established for the code.
 2. Claims RTP'd when code is listed on two claim lines with a modifier appended to one of the codes and both units of service are equal to or lower than the MUE value for the code.
 3. Claims RTP'd with units of service reported equal to the established MUE value for the code.
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