



## claims auditing software payment policy

### ***description of procedure/service***

This policy applies to Fallon Community Health Plan's use of claims auditing software.

### ***policy***

FCHP has implemented software designed to evaluate billing and coding accuracy on submitted claims. The software is guided by the coding criteria and protocols established by various industry sources including, but not limited to, the Centers for Medicare and Medicaid Services (CMS), the CPT Manual published by the American Medical Association (AMA) and specialty society guidelines.

Use of automated method(s) to aid in the proper processing of claims ensures consistent application of FCHP payment policies across all claims. FCHP has customized its claims auditing software and is continually in the process of evaluating the software and modifying it to accommodate FCHP payment policy.

Specific contract terms will apply.

### ***benefits application***

- FCHP Direct Care/FCHP Select Care
- FCHP Independent Care
- FCHP Flex Care Direct/Select
- Fallon Senior Plan™
- FCHP MassHealth
- Major Medical
- Bill at Home/Direct Enrollment
- Fallon Preferred Care

### ***coverage and reimbursement criteria***

The following list represents an example of the different edits and their definitions, but is by no means an all-inclusive list.

#### *Age conflicts*

Identifies billed procedure codes that are inconsistent with the age of the member.

#### *Assistant surgeon edits*

Determines if an assistant surgeon is clinically necessary for the billed procedure.

#### *Cosmetic surgery edits*

Identifies procedures that FCHP considers to be cosmetic and suspends the claim for additional review.

#### *Experimental procedures*

Identifies codes that are considered experimental and determined not to be reimbursable by FCHP.

*Incidental procedure auditing*

Identifies procedures that FCHP considers to be clinically integral to the primary procedure and not allowable for separate reimbursement.

*Intensity of service auditing*

Compares the ICD-9 diagnosis to the intensity of the billed office visit. Recommends the appropriate E&M code and is stated on the Remittance Advise Summary.

*Modifier auditing*

Compares the CPT/ HCPCS procedure with the billed modifier for clinical appropriateness.

*Multiple component billing/duplicate component billing*

Identifies instances where the sum of all payments (i.e., total, professional, technical) for a procedure across multiple providers exceeds the amount that would have been paid for the total procedure.

*Multiple units per single date of service*

Identifies instances where procedure codes that are not deemed to be billed once per date of service are billed with multiple units.

*Mutually exclusive auditing*

Identifies two or more procedures that produce the same clinical result but are performed by different methods or are procedures that usually are not performed together during the same patient encounter and therefore not allowable for separate reimbursement.

*Unbundling auditing*

Identifies billing scenarios where two or more procedures are listed separately when a more accurate comprehensive procedure code exists. The correct codes for the clinical scenario will be allowed and/or automatically added to the claim.

*Gender conflicts*

Identifies billed procedures that are inconsistent with the patient's gender.

*Unlisted procedure edits*

Identifies procedure codes defined by CPT as unlisted services. Unlisted procedure codes should never be used when a more descriptive procedure code is available. Unlisted codes require preauthorization.

Fallon Community Health Plan compares claims for the same date of service when submitted on separate claims.

***preauthorization guidelines***

Not applicable

***billing/coding guidelines***

Providers are required to submit claims to FCHP that accurately reflect the services performed and utilize the appropriate coding systems including CPT, HCPCS and ICD-9-CM, AMA and CMS guidelines.

FCHP reserves the right to audit claims for inappropriate coding and take further action including but not limited to pending and denying of claims, and recovery of monies.

## ***place of service***

This policy may apply to all places of service. Claims reviewed through the auditing software include but are not limited to laboratory and pathology and professional services.

## ***policy implementation***

Policy number: ADM0021  
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