



Claims Auditing Software Payment Policy

Policy

Fallon Community Health Plan (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 & 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
- Commonwealth Care
- Companion Care
- FCHP MassHealth
- Major Medical
- Fallon Preferred Care
- Fallon Senior Plan™
- Fallon Senior Plan Preferred
- Summit ElderCare®
- NaviCareSM

Reimbursement

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/investigational procedures

Identifies codes that are considered experimental/investigational 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 evaluation and management (E&M) code and is stated on the Remittance Advice 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 prior authorization.

FCHP compares claims for the same date of service when submitted on separate claims.

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 applies to services rendered in all settings. Claims reviewed through the auditing software include, but are not limited to, laboratory and pathology and professional services.

Policy history

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| Origination date: | 02/28/01 |
| Previous revision date(s): | 04/16/03, 03/17/04, 10/13/04, 09/28/05, 09/27/06, 11/07/07 |
| Connection date & details: | March 2010 – moved to new policy template |

This payment policy has been developed to provide information regarding general billing, coding and documentation guidelines for FCHP. Even though this payment policy may indicate that a particular service or supply is considered covered, specific provider contract terms and/or member individual benefit plans may apply and this policy is not a guarantee of payment. FCHP reserves the right to apply this payment policy to all FCHP companies and subsidiaries.