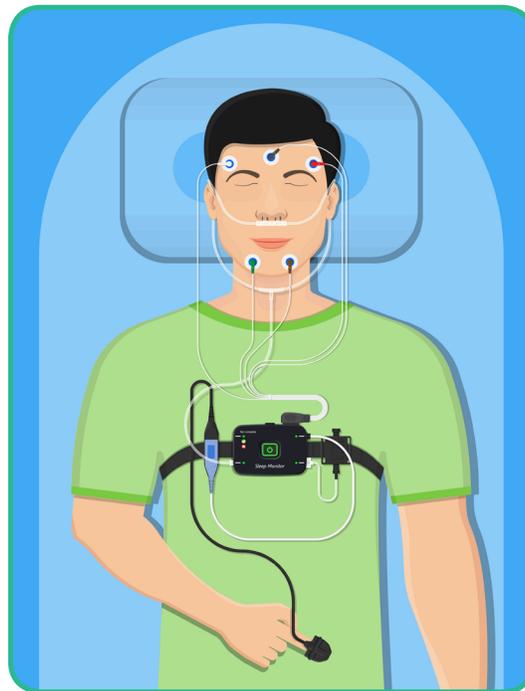


## PROVIDER COMPLIANCE TIPS FOR POLYSOMNOGRAPHY (SLEEP STUDIES)



### UPDATES

- Replaced the earlier year's data with 2019
- Updated the Background section
- Updated "Reasons for Denials"

### INTRODUCTION

This publication is meant to educate providers on coverage and proper billing for polysomnography (sleep studies).

## PROVIDER TYPES AFFECTED

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Physicians and other practitioners who write **prescriptions** for polysomnography.

## BACKGROUND

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In a study done by the Office of the Inspector General (OIG), U.S. Department of Health and Human Services, published in June of 2019, it was found that from January 1, 2014 through December 31, 2015, MACs nationwide paid freestanding facilities, facilities affiliated with hospitals, and physicians approximately \$800 million for selected polysomnography (a type of sleep study to diagnose and evaluate sleep disorders) services.

## REASONS FOR DENIALS

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Previous OIG reviews for polysomnography services found that Medicare paid for services that did not meet Medicare requirements. These reviews identified payments for services with inappropriate diagnosis codes, without the required supporting documentation, and to providers that exhibited patterns of questionable billing. Through their audit, the OIG estimated that Medicare made overpayments of \$269 million for polysomnography services during the audit period. These errors occurred because the CMS oversight of polysomnography services was insufficient to ensure that providers complied with Medicare requirements and to prevent payment of claims that didn't meet those requirements.

## DOCUMENTATION REQUIREMENTS

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CMS requires an order from the provider who treats the beneficiary for all diagnostic tests, including polysomnography. Polysomnography providers must enter the name and National Provider Identifier (NPI) of this ordering provider on the polysomnography claim.

Polysomnography is covered only if the beneficiary has the symptoms or complaints of narcolepsy, sleep apnea, impotence, or parasomnia; which must be documented in the medical record. Polysomnography for chronic insomnia **isn't** covered.

## TO PREVENT DENIALS

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Medicare will cover polysomnography when the following criteria is met:

- The clinic is either affiliated with a hospital or is under the direction and control of physicians. Medicare may cover diagnostic testing routinely performed in sleep disorder clinics even in the absence of direct supervision by a physician
- Beneficiaries are referred to the sleep disorder clinic by their attending physicians, and the clinic maintains a record of the attending physician's orders
- Medical evidence confirms the need for diagnostic testing, e.g., physician examinations and laboratory tests

(Diagnostic testing that is duplicative of previous testing done by the attending physician to the extent the results are still pertinent **isn't** covered because it **isn't** reasonable and necessary under [§1862\(a\)\(1\)\(A\) of the Act.](#))

CMS will continue to work with the MACs to educate providers on properly billing for polysomnography services, including the requirements outlined in [Medicare Program Integrity Manual, Chapter 5: Items and Services Having Special DME Review Considerations](#).

## RESOURCES

Table 1. Polysomnography (Sleep Studies) Resources

Resources	Website
Local Coverage Determination (LCD): Polysomnography and Other Sleep Studies (L34040)	<a href="https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=34040&amp;ver=24&amp;-Date=08%2f01%2f2020&amp;DocID=L34040&amp;SearchType=Advanced&amp;bc=FAAAAAGAAAA&amp;">https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=34040&amp;ver=24&amp;-Date=08%2f01%2f2020&amp;DocID=L34040&amp;SearchType=Advanced&amp;bc=FAAAAAGAAAA&amp;</a>
Medicare Benefit Policy Manual, Chapter 15, Section 70	<a href="https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf">https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf</a>
Medicare Program Integrity Manual, Chapter 5	<a href="https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/pim83c05.pdf">https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/pim83c05.pdf</a>
Office of the Inspector General, U.S. Department of Health and Human Services, Medicare Payments to Providers for Polysomnography Services Did Not Always Meet Medicare Billing Requirements (A-04-17-07069).	<a href="https://oig.hhs.gov/oas/reports/region4/41707069.asp">https://oig.hhs.gov/oas/reports/region4/41707069.asp</a>
Social Security Act § 1862(a)(1)(A)	<a href="https://www.ssa.gov/OP_Home/ssact/title18/1862.htm">https://www.ssa.gov/OP_Home/ssact/title18/1862.htm</a>

Please [Contact your MAC](#) for any updates or changes to the Policy Article (PA) and the LCD regarding policy and general documentation requirements.

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