RAC Top Findings in FY 2006:
Inpatient Hospital Claims
Paid between Oct. 2001-Sept. 2005

Problem Area	Type of Problem	Guidelines	State	Overpayment
Excisional Debridement (Procedure codes 86.22, 86.28)	**Incorrect Coding:** Procedure code on claim did not match procedure described in medical record. Provider did not code the claim consistent with the Coding Clinic definition of excisional debridement.	The following Coding Clinics provide instructions regarding excisional debridements: 3Q '91, 1Q '99, 2Q '00, 2Q '04, 4Q '06.	New York Florida California	$14.9 million $0.5 million $6.8 million
Respiratory Failure (DRG 475; various diagnosis codes)	**Incorrect Coding:** Principal diagnosis on claim did not match the principal diagnosis in the medical record. Provider did not code the claim consistent with the Coding Clinic guidance for respiratory failure.	The following Coding Clinics provide instruction regarding respiratory failure: 2Q '90, 4Q '90, 2Q '91, 3Q '91, 4Q '98, 1Q '03, 4Q '04, 1Q '05.	New York Florida California	$7.4 million $0.9 million $2.3 million
Operating Room Procedure Unrelated to Principal Diagnosis (DRG 468; various diagnosis codes)	**Incorrect Coding:** 1) Principal diagnosis on the claim did not match the principal diagnosis in the medical record. 2) Diagnosis sequencing was incorrect. The secondary diagnosis should have been coded as the primary diagnosis.	Federal Register: February 11, 1998 (Volume 63, Number 28) provides guidance on the proper coding of nondiagnostic preadmission services. Refer also to the American Hospital Association's definitions of Principal diagnosis and Principal Procedure, found in the ICD-9-CM Official Guidelines for Coding and Reporting.	Florida California	$4.6 million $2.0 million

RAC Top Findings in FY 2006:

Outpatient Hospital, Rehab, SNF Claims

Paid between Oct. 2001-Sept. 2005

Problem Area	Type of Problem	Guidelines	State	Overpayment
Inpatient Rehab Facility (IRF) (HIPPS codes A0801-A0806)	**Medical Necessity:** Services could have been provided in a less acute setting. Provider admitted patients who did not meet CMS' medical necessity criteria for IRF care.	HCFA Ruling 85-2 lists the medical necessity criteria for services provided in an IRF. The ruling can be found at: http://www.cms.hhs.gov/Rulings/downloads/HCFARuling85-2.pdf.	California	$19.6 million
(Pegfilgrastim) Neulasta (HCPCS code J2505)	**Incorrect Coding:** Wrong number of units billed. Provider billed for 6 units of Neulasta when they only administered one unit of 6MG.	Transmittal 949 clarifies the billing for Neulasta. The transmittal can be found at: http://www.cms.hhs.gov/transmittals/downloads/R949CP.pdf.	New York	$6.2 million
Speech Therapy (CPT codes 92506, 92507)	**Incorrect Coding:** Wrong number of units billed. Provider billed for each 15 minutes of therapy instead of billing for each session of therapy.	CMS Claims Processing Manual 100-4, Chapter 5, Section 20.2 clarifies billing for untimed codes. The section be found at: http://www.cms.hhs.gov/manuals/downloads/clm104c05.pdf.	New York California	$2.6 million $1.5 million
Blood Transfusion (CPT code 36430)	**Incorrect Coding:** Wrong number of units billed. Provider billed for each unit of blood instead of billing for one transfusion session.	CMS Claims Processing Manual 100-4, Chapter 4, Section 231.8 clarifies billing for blood transfusion services. This section can be found at: http://www.cms.hhs.gov/manuals/downloads/clm104c04.pdf.	New York California	$2.7 million $1.3 million

RAC Top Findings in FY 2006:

Physician, Ambulance, Lab Claims

Paid between Oct. 2001-Sept. 2005

Problem Area	Type of Problem	Guidelines	State	Overpayment
Vestibular Function (CPT codes 92541, 92542, 92545, 92546, 92547)	**Medical Necessity:** Provider billed for multiple units but LCD indicates that only 1 unit per day is medically necessary.	NHIC LCD #05-02-01 clarifies billing for vestibular function tests in California.	California	$6.9 million
Ambulance Transfer (HCPCS codes A0422, A0425, A0427, A0428)	**Incorrect Coding:** When transporting within a hospital campus, the transfer should have been bundled into hospital claim instead of being billed separately.	CMS Benefit Policy Manual 100-2, Chapter 10, Section 3.3 clarifies instructions coverage regarding ambulance transfers. This section can be found at: http://www.cms.hhs.gov/manuals/Downloads/bp102c10.pdf.	California	$1.2 million
Multiple Surgeries (various CPT codes)	**Other:** Incorrect payment was calculated for multiple surgeries that took place during the same surgical session.	CMS Claims Processing Manual 100-04, Chapter 12, Section 40.6 clarifies instructions on billing for multiple surgeries. This can be found at: http://www.cms.hhs.gov/manuals/downloads/clm104c12.pdf.	Florida	$1.2 million