Insights to Coding and Data Quality

Medicare overpayments to hospitals for mechanical ventilation greater than 96 hours

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The Office of Inspector General (OIG) uncovered $7,714,825 in overpayments (out of $12,764,239 payments) related to incorrect coding of mechanical ventilation. The OIG conducted the audit from March to December 2012 and they looked at 377 inpatient claims (290 hospitals) with MS-DRG 207, Respiratory system diagnosis with ventilator support 96+ hours and MDDRG 870, Septicemia or severe sepsis with mechanical ventilation 96+ hours. The claims reviewed were from Calendar Years 2009-2011 and had length-of-stay of four days or less.

For a patient’s discharge to be assigned MS-DRG 207 or 870, ICD-9 procedure code 96.72, Continuous invasive mechanical ventilation for 96 consecutive hours or more, is selected during the coding process. Mechanical ventilation is the use of a mechanical device to inflate and deflate the lungs. It provides the force needed to deliver air to the lungs in a patient whose ability to breathe has been compromised.

If a patient is on mechanical ventilation for less than 96 hours, ICD-9 procedure code 96.71 is selected at the time of coding and the patient’s stay is assigned to a lower severity MS-DRG, resulting in a lower payment.

The hospitals involved in this audit concur with the results and attribute the error either to incorrectly counting the number of hours the patient had received mechanical ventilation or due to clerical errors in selecting the appropriate procedure coded. At the time of the audit, the Centers for Medicare and Medicaid Services (CMS) did not have controls in place to identify these types of erroneous claims. CMS has since implemented a new edit (effective October 1, 2012) for procedure code 96.72 and a length of stay of fewer than four days. Claims submitted to CMS with procedure code 96.72 and a length-of-stay of fewer than four days will be returned to the provider for validation and resubmission.

The OIG has encouraged CMS to direct the Medicare Contractors to recover the overpayments and to review any claims where procedure code 96.72 was used with a length-of-stay of four days or less.

How does your data look? Health Information Management (HIM) professionals should take the lead from OIG and review their hospital’s compliance with these DRGs and refund any overpayments if found.

The complete report can be found at https://oig.hhs.gov/oas/reports/region9/91202066.pdf/.

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