

# \$325 Million in Office Visit Underpayments

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Audit discussions often focus on the fear of upcoding and having to hope that repaying the extra amount is the worst of the consequences. But downcoding is another problem area affecting your payments and more. Here's why you should never purposely downcode your services.

### Start With a CERT Story

Wondering about the \$325 million in the headline? CMS measures improper payment rates through the Comprehensive Error Rate Testing (CERT) program. The 2018 Medicare Fee-for-Service Supplemental Improper Payment Data report includes Table F5: Top 20 Types of Services with Downcoding Errors.

The top data row of the table shows that established office visits had projected improper payments of \$325,258,777. That's only a 2.2 percent improper payment rate for those visits, but clearly the volume of office E/M services reported means that even low rates adds up.

The overall amount projected for improper fee-for-service Medicare payments due to downcoding was \$1,006,552,848.

In case it wasn't clear, the definition applied for Table 5F is that **“Downcoding refers to billing a lower level service or a service with a lower payment than is supported by the medical record documentation.”** Now let us get back to why you should not downcode services.

### Don't Assume Downcoding Keeps You Safe

If you've ever been tempted to use downcoding to try to ensure your claims don't get flagged, think again. Downcoding gets noticed as the CERT report shows. Whether your claim gets looked at as part of a large-scale review or as part of an internal audit, auditors may have the task of checking for any sort of incorrect coding. That includes upcoding, downcoding, unbundling, and any number of other issues. The bottom line is that downcoding is a coding error and is not a self-defense strategy against audit woes.

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### **It's Your Money; Claim It!**

Downcoding means you're not maximizing reimbursement for your healthcare organization. You're either not claiming money you earned, or you're setting yourself up to have to spend time on reworking claims to get the correct reimbursement.

### **Consider the Bigger Picture of Data Collection**

In this age where data and data analysis are key, you don't want your undercoding to contribute to a payer's assumption that lower levels of care are the norm. Your coding should reflect accurately what services the provider determined were medically necessary for the specific patient. Accurate reporting will help both with future payment calculations and with informing payer understanding of healthcare trends.