



## Comparative Billing Report

March 6, 2014

CBR #: CBR201403

NPI: 1111111111

FAX#: &fax.

&name.

&street.

&citystatezip.

Dear Medicare Provider:

The Centers for Medicare & Medicaid Services (CMS) strives to protect the Medicare Trust Fund and effectively manage Medicare resources. In an effort to accomplish these goals, CMS has contracted eGlobalTech, a professional services firm in Arlington, VA, to develop Comparative Billing Reports (CBRs). CBRs are designed to educate providers on their billing or referral patterns in comparison to other providers for selected study topics. This data is distributed to individual providers to encourage them to monitor and continuously improve their billing practices in these study topics.

Attached is a CBR that is designed to reflect your billing or referral patterns compared to peer providers billing or referring the same services in your state and nationwide. We hope you find this CBR beneficial as an educational tool which may assist you in identifying opportunities for improvement. If you have any questions regarding this CBR, or if you want to change the way you receive CBRs in the future, please contact the CBR Support Help Desk via:

- Calling the Toll Free Number, 1-800-771-4430;
- Sending an email to [cbrsupport@eglobaltech.com](mailto:cbrsupport@eglobaltech.com);
- Visiting the website at [www.cbrinfo.net](http://www.cbrinfo.net).

REMINDER: If you have changed your mailing address or contact information and have not notified the National Plan and Provider Enumeration System (NPPES) and/or CMS' provider enrollment contractor via the internet or the appropriate Medicare enrollment application, please take time to review and update the system.

You can update your National Provider Identifier (NPI) on NPPES at <https://nppes.cms.hhs.gov/NPPES>. If you have forgotten your User ID and/or password, or need assistance, contact the NPI Enumerator at 1-800-465-3203 or email [customerservice@npienumerator.com](mailto:customerservice@npienumerator.com).

For more information regarding the Medicare enrollment process or to obtain a copy of the Medicare enrollment application for your provider type, refer to <http://www.cms.gov/MedicareproviderSupenroll>.

We thank you for your cooperation and hope you find the attached report informative and educational.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kasey'.

Kasey Curtis  
CBR Project Director  
eGlobalTech

Enclosure

# Comparative Billing Report (CBR): NPI 1111111111

## Nebulizer Medications: Bronchodilators

### Introduction

This CBR focuses on providers who prescribed bronchodilator medications administered through a nebulizer to Medicare beneficiaries. National data analysis comparing claims with dates of service from July 2010 - June 2011 and July 2012 - June 2013 indicated a 2% decrease in the overall allowed charge for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) items. Data analysis for nebulizer devices, supplies, and medications for the same time frames demonstrated a 16% increase in the allowed charge. There was a 30% increase in the allowed charge for medications administered through a nebulizer. Bronchodilators account for 34% of the total allowed charge for medications administered through a nebulizer. Additional data analysis indicates a 19% increase in allowed charge for these medications. This CBR examines the following trends:

- Total number of beneficiaries and the associated DMEPOS suppliers per prescribed medication
- Average services prescribed per beneficiary
- Relationship between prescribed medications submitted with acute versus chronic diagnoses

For comparative and educational purposes, the bronchodilator nebulizer medications have been further divided into the following categories: long-acting beta agonist (LABA), short-acting beta agonist (SABA), short-acting anticholinergic (SAAC), and combination short-acting beta agonist with anticholinergic (SABA/AC). The Healthcare Common Procedure Coding System (HCPCS) codes, categories, and descriptions included in this CBR are listed in Table 1.

**Table 1: Nebulizer Medications: Bronchodilators**  
**Grouped by Category and HCPCS Code**

Category	HCPCS Code	Description	Single Unit Measure	Maximum Allowable Units per Month
LABA	J7605	Arformoterol	15 mcg	62
LABA	J7606	Formoterol	20 mcg	62
SAAC	J7644	Ipratropium Bromide	1 mg	93
SABA	J7613	Albuterol	1 mg	465
SABA	J7614	Levalbuterol	0.5 mg	465
SABA/AC	J7620	Albuterol/Ipratropium Bromide	2.5mg/0.5mg	186

### Documentation Requirements Overview

Medicare covers a medication delivered through a nebulizer when it is reasonable and necessary for the treatment of a disease or illness. The prescribing provider maintains the rationale for the order in the medical record and completes a Detailed Written Order (DWO) to enable the DMEPOS supplier to meet the billing requirements and submit claims to Medicare.

#### DWO must include:

- Beneficiary name
- Treating provider name

- Start date for the order
- Treating provider's signature and signature date
- Detailed description of the item(s) to be provided, including:
  - Name of medication to be dispensed and dosage or concentration
  - Route of administration and frequency of use
  - Quantity to be dispensed and number of refills

#### **Instances requiring a new prescription:**

- Change to the supplier
- Change in the medication, frequency of use, or amount prescribed
- Change in the length of need, or the previously established length of need expires
- State law requires a prescription renewal

Medicare claims must include the appropriate diagnosis code of the condition for which the medication is prescribed. It is recommended that prescribing providers include diagnosis information on the DWO to ensure accurate information is included on the claim for proper coverage.

The number of units submitted on the claim must be supported by the DWO. A common error is overstated units on submitted claims. As an example, a prescription is written for J7605, Arformoterol, 15 mcg administered twice daily for one month. One unit of J7605 is 15 mcg and the prescribed amount is two units per day for 30 days. The common billing mistake is to assume one unit equals one mcg. The claim is then submitted for 900 units for a month when the prescription information indicates 60 units. Please be aware of the unit values for the medications prescribed and include appropriate information on the DWO to help ensure DMEPOS suppliers submit the appropriate number of units on the claims.

Per the Medicare requirement, the beneficiary's medical record must include documentation to validate services as medically reasonable and necessary. The DMEPOS supplier may request this information to ensure proper coverage of the medications dispensed. Providing medical documentation to the supplier is in compliance with the Health Insurance Portability and Accountability Act (HIPPA) Privacy Rule.

#### **References**

The coverage and documentation guidelines listed below have been furnished for each geographic region and contractor. Table 2 lists the local coverage determination (LCD) related to nebulizer devices, supplies, and medications by contractor. Please follow the guidelines pertinent to your region. To review an article or LCD, visit the following link:

<http://www.cms.gov/medicare-coverage-database/overview-and-quick-search.aspx>

**Table 2: LCD per Contractor**

<b>Contractor</b>	<b>LCD</b>	<b>Article</b>
CGS Administrators, LLC	L5007	A24623, A50892, A38030
National Government Services, Inc.	L27226	A47233, A50888, A47088, A47121, A47463, A47117, A50453
NHIC, Corp.	L11499	A24944, A7837, A50891, A48909, A47418, A7094, A51442
Noridian Healthcare Solutions, LLC	L11488	A24942, A50890

- Durable Medical Equipment (DME) Medicare Administrative Contractor (MAC) Suppliers Manual
  - Jurisdiction A: Chapter 10
  - Jurisdiction B: Chapter 6 and Chapter 8
  - Jurisdiction C: Chapter 3 and Chapter 9
  - Jurisdiction D: Chapter 3 and Chapter 5
- Medicare Fee-for-Service 2012 Improper Payments Report, October 2012
- Medicare Fee-for-Service 2012 Improper Payments Report Supplementary Appendices, November 2012
- Medicare Claims Processing Manual, Chapter 17 and Chapter 20
- Medicare Benefit Policy Manual, Chapter 15

## Methodology

DMEPOS claims with allowed services and dates of service between July 1, 2012 and June 30, 2013 for the HCPCS Codes for bronchodilator medications (as listed in Table 1) are included in the analysis. Allowed services included in this report are based on the final processed claim detail as of February 1, 2014.

The report outlines the DMEPOS billings for the beneficiaries that you have referred to the DMEPOS suppliers. Beneficiary counts and the count of associated DMEPOS suppliers are calculated by HCPCS code. An overall count of all beneficiaries and DMEPOS suppliers is also calculated.

The analysis focuses on the average allowed services per beneficiary per year for the HCPCS categories in Table 1. The HCPCS codes that are grouped together have similar effects and the drugs have the same recommended maximum dosages per month. The average allowed services per beneficiary for you, your state, and the nation are calculated as follows:

### **Total Allowed Services / Total Number of Beneficiaries.**

Further analysis evaluates the level of diagnosis within the ICD-9 codes, 491.0 - 508.9, and the level of drug prescribed, as submitted on the claim by the DMEPOS supplier. A claim line is identified as acute when at least one of the nine diagnoses on the claim or claim line is acute, otherwise the claim line is considered non-acute.

Claim lines are categorized into two types, claim lines for short-acting bronchodilator drugs and an acute diagnosis (ACUTE) and claim lines for short-acting bronchodilator drugs without an acute diagnosis (NON-ACUTE). Your percentages of claim lines within each category are compared to your state and the nation. The percentages for you, your state, and the nation within each category are calculated as follows:

### **(Total Claim Lines by Category / Total Claim Lines) X 100.**

The analysis centers on the percentage of claim lines with short-acting bronchodilator drugs submitted with non-acute diagnoses (NON-ACUTE).

## Results

Table 3 summarizes the counts of referred beneficiaries and the DME suppliers associated with these referred beneficiaries. The table displays counts by each HCPCS Code and total counts for

all of the HCPCS codes combined. Please note that the summation of the individual HCPCS codes may not equal the total for all codes since some beneficiaries and DME suppliers may have been associated with multiple drugs.

**Table 3: Referred Beneficiary Counts and Associated DME Supplier Counts  
for Bronchodilator Drugs Administered Through Nebulizers  
Claims with Dates of Service July 2012 - June 2013**

Analysis Type	J7605	J7606	J7613	J7614	J7620	J7644	All HCPCS Codes
Beneficiary Counts	2	0	14	0	5	3	21
DME Supplier Count	1	0	5	0	2	3	8

Table 4 provides a statistical comparison of your average allowed services per beneficiary for the HCPCS categories to those of your state and the nation. If "Significantly Higher" is listed under the column heading "Comparison to Your State" and/or "Comparison to the Nation", then your allowed services per beneficiary are significantly higher than the allowed services per beneficiary of your state and/or the nation.

**Table 4: Statistical Comparison of Average Allowed Services per Beneficiary  
Referred by You, Your State, and the Nation from July 2012 - June 2013**

Category	HCPCS Code(s)	Your Average Services per Beneficiary	Your State's Average Services per Beneficiary	Comparison to Your State	National Average Services per Beneficiary	Comparison to the Nation
LABA	J7605 / J7606	120.00	331.25	Does Not Exceed	341.55	Does Not Exceed
SAAC	J7644	300.00	200.57	Higher	195.16	Higher
SABA	J7613 / J7614	850.00	908.51	Does Not Exceed	838.64	Significantly Higher
SABA/AC	J7620	460.00	461.02	Does Not Exceed	455.29	Higher

A T-test was used in this analysis, alpha = 0.05.

Table 5 provides a statistical comparison of claim lines with short acting bronchodilator drugs and non-acute diagnoses as compared to all claim lines with short acting bronchodilator drugs. Your percentage is compared to the state and national percentage. If "Significantly Higher" is listed under the column heading "Comparison to Your State" and/or "Comparison to the Nation", then your percentage of claim lines within the non-acute category is significantly higher than the percentage of claim lines within this category for your state and/or the nation.

**Table 5: Statistical Comparison of the Percentage of Claim Lines Referred by You, Your State, and the Nation for Non-Acute Diagnoses and Short-Acting Bronchodilator Drugs  
Claims with Dates of Service July 2012 - June 2013**

Category	Your Percentage	Your State's Percentage	Comparison to Your State	National Percentage	Comparison to the Nation
NON-ACUTE	88%	84%	Higher	77%	Significantly Higher

A Chi-square test was used in this analysis, alpha = 0.05.

## Resources

The following resources are pertinent to this CBR and may assist providers with developing policies to address areas of concern:

- MLN Matters® Article Number SE0570
- MLN Matters® Article Number SE1326
- MLN Matters® Article Number SE1327
- Medicare Partnerships Drug Coverage Tip Sheet
- DME MAC Tools
  - CGS Nebulizers and Inhalation Drugs Documentation Checklist
  - NGS Nebulizer Documentation Checklist
  - NHIC DME A\_CERT\_phy\_letter\_nebulizers[1].pdf
  - Noridian Nebulizers and Respiratory Drugs Documentation Checklist
- CMS DME Center
- DMEPOS Supplier Standards
- Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Quality Standards
- Medicare Learning Network® (MLN) Fact Sheet Grandfathering Requirements for Non-Contract Suppliers

## The Next Steps

We encourage you to perform a self-audit to determine the accuracy of your billing and adherence to Medicare policy guidelines. Use the Documentation and Billing Overview and Reference sections supplied above as a guide.

Join us for the CBR201403 webinar on Wednesday, March 19, 2014 from 3:00 - 4:00 PM ET. Space is limited, so please register early.

Register online at <http://engage.vevent.com/rt/cbr~031914>.

If you are unable to attend, you may access a recording of the webinar two days following the event at the website above.

For detailed links to information listed in the references and resources section visit <http://www.cbrinfo.net/CBR201403.html>.

## Contact Information

If you have questions or suggestions pertaining to this CBR, please contact the CBR Support Help Desk via email at [CBRSupport@eglobaltech.com](mailto:CBRSupport@eglobaltech.com) or via telephone at (800) 771-4430.