



Comparative Billing Report

May 23, 2016

CBR #: CBR201608

Topic: Podiatry: Nail Debridement and Evaluation and Management Services

NPI #: 1111111111

Fax #: (888)555-5555

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Dear Medicare Provider:

The Centers for Medicare & Medicaid Services (CMS) strives to protect the Medicare Trust Fund and effectively manage Medicare resources. To support these goals, CMS has contracted with eGlobalTech, a professional services firm headquartered in Arlington, VA, to develop Comparative Billing Reports (CBRs). CBRs provide comparative data on how an individual health care provider's billing and payment patterns for selected topics compare to his/her peers. The CBRs give providers an opportunity to compare themselves to their peers, check their records against data in CMS' files, and review Medicare guidelines to ensure compliance. CBRs are for educational and comparison purposes and do not indicate the identification of overpayments. **Please note, no reply is necessary.**

Attached is a CBR that reflects your billing or referral patterns compared to peer providers' patterns for the same services in your state and nationwide. We recognize that practice patterns can vary by region, subspecialty, and patient acuity levels, which are elements that are not evident in the claims data reviewed for the CBR. We hope you find this CBR beneficial as an educational tool to 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.

- Toll Free Number: 1-800-771-4430
- Email: cbrsupport@eglobaltech.com
- Website: <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) contact information in 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.

We hope you find the attached report informative.

Sincerely,

A handwritten signature in black ink, appearing to read "Virna Elly".

Virna Elly
CBR Program Director
eGlobalTech

Enclosure

Comparative Billing Report (CBR): NPI 1111111111
Podiatry: Nail Debridement and Evaluation and Management Services

Introduction

This CBR focuses on podiatrists, provider specialty 48, who submitted claims for nail debridement, and evaluation and management (E/M) services. Specifically, this CBR examines nail debridement services billed with Current Procedural Terminology (CPT®) codes 11720 and 11721, and E/M services billed with CPT® codes 99211 through 99215. Only those services rendered in the office (place of service: 11) were included in the analyses. The metrics reviewed in this report include:

- Percentage of nail debridement services billed concurrently with E/M services
- Percentage of nail debridement services billed as CPT® code 11721
- Average nail debridement services per beneficiary per year
- Average minutes of E/M service per visit appended with modifier 25 and without modifier 25, (based on the typical time assigned by CPT®)

According to a June 2002 report by the Office of Inspector General (OIG) titled *Medicare Payments for Nail Debridement Services*, Medicare allowed \$51.2 million in improper payments for nail debridement services rendered during Calendar Year 2000 (CY2000). The OIG found that while Medicare reimburses podiatrists for several hundred services, nail debridement is by far the single largest paid service, accounting for almost one-fourth of all Medicare payments to podiatrists in CY2000.

Nearly one-fourth of the claims reviewed by the OIG did not have adequate medical justification to support Medicare payment. More than half of the inappropriately paid nail debridement claims contained other podiatry-related services. When nail debridement payments were determined to be inappropriate, all other podiatry payments for related services were also determined to be incorrect. The OIG estimated that Medicare paid \$45.6 million for related services in CY2000, bringing the total for all improper payments to \$96.8 million.

Currently, Palmetto GBA (Railroad Medicare) is performing a widespread review of nail debridement services billed with the CPT® codes included in this CBR. They reported First Quarter, Fiscal Year 2016 error rates by dollar amount of 56.1 percent for CPT® code 11720 and 47.6 percent for CPT® code 11721. Half of the services were denied due to insufficient or illegible documentation. Based on these results, Palmetto GBA is continuing widespread reviews of CPT® codes 11720 and 11721.

National Government Services (NGS), Inc. is currently performing a service-specific prepayment review of E/M services billed with modifier 25 in conjunction with nail debridement services. The claims error rate for July 2015 through December 2015 ranged from 80.33 percent to 88.75 percent. NGS cited E/M services which were not eligible for reimbursement because they were directly related to nail debridement services, and no other problems were identified in the medical record.

Table 1 provides an abbreviated description for nail debridement CPT® codes 11720, 11721, and E/M CPT® codes 99211 through 99215. The typical time as assigned by CPT® are also included for the E/M CPT® codes.

Table 1: CPT® Codes, Abbreviated Descriptions, and Typical Times

CPT® Code	Abbreviated Description	Typical Time, if applicable
11720	Debridement of nail(s) by any method(s); one to five	N/A
11721	Debridement of nail(s) by any method(s); six or more	N/A
99211	Minimal Problem/Exam	5 Minutes
99212	Problem Focused/Exam	10 Minutes
99213	Expanded Problem Focused/Exam	15 Minutes
99214	Detailed Patient History/Exam	25 Minutes
99215	Comprehensive Patient History/Exam	40 Minutes

CPT® codes and descriptors are copyright 2015 American Medical Association. Rights reserved. Applicable FARS/DFARS apply.

Coverage and Documentation Overview

This portion of the CBR offers a broad look at the coverage and documentation requirements to ensure compliance with Medicare guidelines. **The information provided does not supersede or alter the coverage and documentation policies, as outlined by the Medicare Administrative Contractors (MACs), in Local Coverage Determinations (LCDs), or in Local Coverage Articles (LCAs).** Please refer any specific questions you may have to the MAC for your region.

Basic Coverage Criteria

Six of the eight MACs have at least one LCD covering the podiatry codes in this CBR. Several LCDs, including L33636 from NGS, state that “While the Medicare program generally excludes routine foot care services from coverage, there are specific indications or exceptions under which there are program benefits.” It goes on to state, “Medicare payment may be made for routine foot care when the patient has a systemic disease, such as metabolic, neurologic or peripheral vascular disease, of sufficient severity that performance of such services by a nonprofessional person would put the patient at risk.” CGS Administrators, LLC states in LCD L34246 that “in the absence of a systemic condition, the following criteria must be met:

- In the case of ambulatory patients there exists:
 - Clinical evidence of mycosis of the toenail, (B35.1) and...”
 - The patient suffers from pain, marked limitation of ambulation and/or a secondary infection
- “In the case of non-ambulatory patients there exists:
 - Clinical evidence of mycosis of the toenail (B35.1) and
 - The patient suffers from pain...and/or a secondary infection.”

When E/M services are reported in addition to nail debridement, the separately billed E/M service must be unrelated to the nail debridement service and meet documentation requirements for the level selected. Information on selecting the proper level of E/M code can be found in Chapter 12, Section 30.6.1 of the *Medicare Claims Processing Manual*. The Manual states, “Medical necessity of a service is the overarching criterion for payment in addition to the individual requirements of a

CPT® code. It would not be medically necessary or appropriate to bill a higher level of evaluation and management service when a lower level of service is warranted. The volume of documentation should not be the primary influence upon which a specific level of service is billed.” The problem addressed must be distinct from the procedure and significant enough to warrant some kind of treatment by the physician. None of the E/M services’ documentation components may also be used to support the performance of the procedure. Providers can audit their medical records to see if they meet the requirements by using a marker to hypothetically eliminate the documentation for the procedure or other services (including any related E/M service) from the note(s). The remaining documentation should be enough to support a significant level of service.

According to Chapter I of the *National Correct Coding Initiative (NCCI) Policy Manual for Medicare Services*, the use of modifier 25 applies to E/M services performed on the same day as a minor procedure, those services with a global period of zero or ten days. Nail debridement services (CPT® codes 11720 and 11721) have been assigned a global surgical period of “0”, and the majority of E/M services included in the analyses were submitted with modifier 25 appended. Per NCCI, “In general, E&M services on the same date of service as the minor surgical procedure are included in the payment for the procedure. The decision to perform a minor surgical procedure is included in the payment for the minor surgical procedure and should not be reported separately as an E&M service. However, a significant and separately identifiable E&M service *unrelated* to the decision to perform the minor surgical procedure is separately reportable with modifier 25.” Services related to the decision to perform the procedure could include assessing the patient before, during, and after the procedure; informing the patient of possible risks and giving the patient instructions for post-operative care. *NCCI Policy Manual for Medicare Services* (Chapter I covering General Correct Coding Policies, Section E) states the following, “Modifiers may be appended to HCPCS/CPT® codes only if the clinical circumstances justify the use of the modifier. A modifier should not be appended to a HCPCS/CPT® code solely to bypass an NCCI PTP edit if the clinical circumstances do not justify its use.”

A reminder article by CGS Administrators, LLC titled *Podiatry Services and Evaluation and Management Codes* gives guidance on foot care and podiatric services. It states, “Evaluation and Management (E/M) services provided on a repetitive basis to assess a patient’s possible need for foot care are considered routine screening exams and are not covered. There must be an underlying systemic condition and/or signs and symptoms warranting the need for an E/M service.” It also states, “E/M services provided on the same date of service as covered foot care are considered integral to the foot care and are not separately payable unless the service is separately identifiable from the foot care (noted by submitting CPT® modifier 25 with the E/M service) and medically necessary. Maintain supporting documentation for the use of CPT® modifier 25 in the patient’s records.”

Providers should familiarize themselves with the LCDs covering the jurisdictions where they practice in order to have a complete understanding of all Medicare requirements for nail debridement services.

Methods

This report is an analysis of Original Fee-for-Service Medicare Part B claims with allowed services for the CPT® codes listed in Table 1, with dates of service from January 1, 2015 to December 31, 2015. Claims with the rendering National Provider Identifier (NPI) specialty denoted as podiatry

(48), and rendered in the office (place of service: 11) were included in this analysis. Furthermore, we restricted our analyses to only those providers with allowed nail debridement services. This analysis was based on the latest version of claims available from the Integrated Data Repository (IDR), as of April 11, 2016. Your percentages and averages denoted in Tables 3 through 6 are calculated from the data supplied in Table 1 and your utilization of the CPT® codes in Table 2, using the formulas below. Your values are compared to those of your state (AK) and national values, using either the chi-squared or t-test at the alpha value of 0.05.

Percentage of Nail Debridement Services Billed Concurrently with E/M Services

Nail debridement services billed concurrently with an E/M service is defined as any nail debridement service that was billed with an E/M service with the same rendering provider, beneficiary, and date of service. The percentage of nail debridement services billed concurrently with an E/M service is calculated, as follows:

$$\frac{\text{Number of Nail Debridement Services with E/M}}{\text{Total Number of Nail Debridement Services}} \times 100$$

Percentage of Nail Debridement Services Billed as CPT® Code 11721

The percentage of nail debridement services billed as CPT® code 11721 is calculated, as follows:

$$\frac{\text{Number of Nail Debridement Services as CPT® Code 11721}}{\text{Total Number of Nail Debridement Services}} \times 100$$

Average Allowed Nail Debridement Services per Beneficiary per Year

The average nail debridement services per beneficiary per year, is calculated for the period, as follows:

$$\frac{\text{Total Allowed Nail Debridement Services}}{\text{Total Number of Beneficiaries with Nail Debridement Services}}$$

Average Minutes of E/M Service per Visit Appended with Modifier 25 and without Modifier 25

Each CPT® code is assigned a value that corresponds to the time described in the CPT® code for E/M services, as seen in Table 1. This value is multiplied by the allowed services for the E/M CPT® code to arrive at the total weighted services per code. If multiple E/M services are allowed for a particular beneficiary and date of service, then these services are added together to get a total weighted value by visit. The average minutes of E/M per visit is calculated for services appended with modifier 25 and without modifier 25, as follows:

$$\frac{\text{Total Weighted Services for E/M CPT® Codes by Modifier Designation}}{\text{Total Number of E/M Visits by Modifier Designation}}$$

Comparison Outcomes

There are four possible outcomes for the comparisons between the provider and the peer groups:

- **Significantly Higher** - Provider's value is higher than the peer value, and the statistical test confirms a significance
- **Higher** - Provider's value is higher than the peer value, but either the statistical test does not confirm a significance or there is insufficient data for comparison
- **Does Not Exceed** - Provider's value is not higher than the peer value
- **N/A** - Provider does not have data for comparison

A provider's value may be greater than the value of his/her peer group. The statistical test gives the provider the benefit of the doubt since significance is based on the total number of visits or beneficiaries and the variability of those values.

Results

Table 2 provides a summary of your utilization of the CPT® codes included in this CBR. The total allowed charges, allowed services, services with concurrent nail debridement and E/M services, distinct visit count, and distinct beneficiary count are included for each CPT® code and modifier type.

Table 2: Summary of Your Utilization
January 1, 2015 - December 31, 2015

CPT® Code	Modifier	Allowed Charges	Allowed Services	Concurrent Services	Visit Count	Beneficiary Count
11720	-	\$316.15	10	8	10	8
11721	-	\$13,048.81	298	132	298	131
Subtotal - Nail Debridement	-	\$13,364.96	308	140	308	137
99211	With Mod 25	\$0.00	0	0	0	0
99211	Without Mod 25	\$97.20	5	0	5	5
99212	With Mod 25	\$5,693.02	133	116	133	91
99212	Without Mod 25	\$213.80	5	0	5	5
99213	With Mod 25	\$3,335.21	47	21	47	39
99213	Without Mod 25	\$2,816.74	40	0	40	32
99214	With Mod 25	\$1,054.66	10	3	10	9
99214	Without Mod 25	\$5,482.96	52	0	52	34
99215	With Mod 25	\$0.00	0	0	0	0
99215	Without Mod 25	\$284.82	2	0	2	2
Subtotal - E/M	With Mod 25	\$10,082.89	190	140	190	124
Subtotal - E/M	Without Mod 25	\$8,895.52	104	0	103	52
Total		\$32,343.37	602	280	461	197

Please note that the totals may not be equal to the sum of the rows. The number of visits and beneficiaries is an unduplicated count for each CPT® code, subtotal, and total row. It is likely that a provider would submit claims for a beneficiary on multiple visits and for more than one CPT®

code and modifier combination. The number visits and beneficiaries are distinct counts and are, therefore, counted only once in the subtotals and total.

Table 3 provides a comparison of your percentage of nail debridement services billed concurrently with E/M services to that of your peers.

Table 3: Percentage of Nail Debridement Services Billed Concurrently with E/M Services
January 1, 2015 - December 31, 2015

	Your Percentage of Services with an E/M	Your State's Percentage of Services with an E/M	Comparison with Your State's Percentage	National Percentage of Services with an E/M	Comparison with the National Percentage
Percentage with E/M	45%	15%	Significantly Higher	20%	Significantly Higher

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

Table 4 provides a comparison of your percentage of nail debridement services billed as CPT® code 11721 to that of your peers.

Table 4: Percentage of Nail Debridement Services Billed as CPT® Code 11721
January 1, 2015 - December 31, 2015

	Your Percentage of Services with 11721	Your State's Percentage of Services with 11721	Comparison with Your State's Percentage	National Percentage of Services with 11721	Comparison with the National Percentage
Percentage of Services	97%	94%	Higher	79%	Significantly Higher

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

Table 5 provides a comparison of your average allowed nail debridement services per beneficiary to that of your state and the nation. This is the average total allowed services per beneficiary for the one-year time period under analysis.

Table 5: Average Allowed Nail Debridement Services per Beneficiary
January 1, 2015 - December 31, 2015

	Your Average Allowed Services per Beneficiary	Your State's Average Allowed Services per Beneficiary	Comparison with Your State's Average	National Average Allowed Services per Beneficiary	Comparison with the National Average
Average Services	2.25	2.22	Higher	2.61	Does Not Exceed

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

Table 6 provides a comparison of your average minutes of E/M services per visit appended with modifier 25 and without modifier 25. Your averages are compared to that of your state and the nation.

Table 6: Average Minutes of E/M Services per Visit, Appended with Modifier 25 and without Modifier 25
January 1, 2015 - December 31, 2015

Type	Your Average Minutes per Visit	Your State's Average Minutes per Visit	Comparison with Your State's Average	National Average Minutes per Visit	Comparison with the National Average
With Mod 25	12.03	11.70	Significantly Higher	13.59	Does Not Exceed
Without Mod 25	19.95	14.52	Significantly Higher	13.77	Significantly Higher

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

References & Resources

The coverage and documentation guidelines for nail debridement and E/M services can be found below. Please follow the guidelines pertinent to your region. A complete list of web links is located at <http://www.cbrinfo.net/cbr201608-recommended-links.html>.

Table 7: LCDs & LCAs

Medicare Administrative Contractor (MAC)	LCDs & LCAs Prior to 09/30/15	LCDs & LCAs After 10/01/15
Cahaba Government Benefit Administrators, LLC	L34368	L34944
CGS Administrators, LLC	L31896	L34246, A52372
First Coast Service Options, Inc.	L29232, L29272	L33922, L33941
National Government Services, Inc.	L26426	L33636, A52865
Novitas Solutions, Inc.	L27487, L27486, A47803	L35013, L35138, A52996, A52998
Wisconsin Physicians Service Insurance Corporation	N/A	L36404

Office of Inspector General

- Medicare Payments for Nail Debridement Services, OEI-04-99-00460, June 2002

Medicare Manuals

- *Medicare Claims Processing Manual*,
 - Chapter 12, Physician/Nonphysician Practitioners
 - * Section 30.6.1 - Selection of Level of Evaluation and Management Services
- *National Correct Coding Initiative (NCCI) Policy Manual for Medicare Services*,
 - Chapter 1, General Correct Coding Policies
 - * Section D - Evaluation and Management (E/M) Services
 - * Section E - Modifiers and Modifier Indicators

Medicare Administrative Contractor Articles

- CGS - Podiatry Services and Evaluation and Management Codes
- Palmetto GBA - Railroad Medicare Widespread Review of Nail Debridement Services: First Quarter of FY 2016
- NGS - Modifier 25 Service Specific Prepayment Review Interim Findings

The Next Steps

We encourage you to check with your MAC to ensure you are meeting the Medicare standards for your jurisdiction. Please use the above references and resources as a guide.

You are invited to join us for the CBR201608 webinar on June 22, 2016 from 3:00 - 4:30 PM ET. Space is limited, so please register early. Register online at <http://www.cbrinfo.net/cbr201608-webinar.html>.

If you are unable to attend, you may access a recording of the CBR201608 webinar five business days following the event at <http://www.cbrinfo.net/cbr201608-webinar.html>.

For detailed links to information listed in the references and resources section, visit <http://www.cbrinfo.net/cbr201608-recommended-links.html>.

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

For written correspondence, postal mail can be sent to the following address:

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