

Comparative Billing Report



Comparative Billing Report Program
7127 Ambassador Rd., Suite 150
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CBR#: CBR201803
Spinal Orthoses Suppliers
NPI#: 1111111111
Fax#: (888)555-5555

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Write to the return address above

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, to develop Comparative Billing Reports (CBRs).

What is a CBR?

A CBR is an educational tool that reflects your billing patterns compared to your peers' patterns for the same services in your region and nationwide. No reply is necessary as this report is for educational purposes.

Why did I get a CBR?

You received this CBR because your billing patterns differ from your peers' patterns in your specialty group within your Durable Medical Equipment (DME) Medicare Administrative Contractor (MAC) jurisdiction and/or across the nation. Receiving this CBR is not an indication of, or precursor to, an audit. We hope the report assists you in identifying opportunities for improvement and helps you validate your current billing patterns.

Optional - Next Steps

- Contact your MAC for specific billing or coding questions
- Visit www.cbrinfo.net for additional resources
- Attend our free webinar May 2, 2018 from 3:00 p.m. – 4:00 p.m. ET. Space is limited so register early at www.cbrinfo.net/cbr201803-webinar
- If you are unable to attend the live webinar, a recording will be available within 5 business days following the event at www.cbrinfo.net/cbr201803-webinar

REMINDER: If you have changed your mailing address or contact information, please take time to review and update the appropriate Medicare provider enrollment system.

Enclosure

Comparative Billing Report (CBR): NPI 1111111111 Spinal Orthoses Suppliers

Introduction

CBR201803 focuses on the rendering providers, denoted as suppliers in this report, for off-the-shelf and custom-fitted prefabricated spinal orthoses, also known as braces. Braces are covered by Medicare Part B, Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) when they are furnished on a physician's order or incident to a physician's services. Items that do not meet Medicare's definition of a brace are not covered.

The Office of Inspector General (OIG) includes orthoses in the *Work Plan Fiscal Year 2017* report and compares Medicare overpayments for braces to those of private insurance companies (non-Medicare payers). The OIG made these comparisons in an effort to identify potentially wasteful spending and to adjust the fee schedule for orthoses to be more in line with non-Medicare payers. The *Work Plan* also includes reviewing medical necessity. The report showed that, in many cases, the documentation submitted did not support medical necessity for the services billed; more specifically, there were indications that some beneficiaries were receiving multiple braces and often the referring physician had not seen the beneficiary prior to ordering the equipment.

Since 2013, Lumbar-Sacral Orthoses (LSO) have been on the DMEPOS list of **Top 20 Service Types with Highest Improper Payments**. According to the 2017 *Medicare Fee-for-Service Supplemental Improper Payment Data*, which included claims submitted July 1, 2015 through June 30, 2016, LSO had an improper payment rate of 52.5 percent. The 2017 report indicated that the overall improper payment rate for all DMEPOS items was 44.6 percent, making the projected improper payment amount for DMEPOS items \$3.7 billion for this reporting period.

CBR201803 is an analysis of the following Healthcare Common Procedure Coding System (HCPCS) codes:

Prefabricated Custom-Fitted Spinal Orthoses

L0627: Lumbar orthosis, sagittal control, with rigid anterior and posterior panels

L0631: Lumbar-sacral orthosis, sagittal control, with rigid anterior and posterior panels

L0637: Lumbar-sacral orthosis, sagittal-coronal control, with rigid anterior and posterior panels

Prefabricated Off-the-Shelf Spinal Orthoses

L0642: Lumbar orthosis, sagittal control, with rigid anterior and posterior panels

L0648: Lumbar-sacral orthosis, sagittal control with rigid anterior and posterior panels

L0650: Lumbar-sacral orthosis, sagittal-coronal control, with rigid anterior and posterior panels

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') Local Coverage Determinations (LCDs) or Local Coverage Articles (LCAs). Please refer any specific questions you may have to the MAC for your region.**

A prescription is not considered part of the medical record. Chapter 5 (Section 5.8) of the *Medicare Program Integrity Manual* states, "The supplier should also obtain as much documentation from the patient's medical record as they determine they need to assure themselves that coverage criteria for an item have been met. If the information in the patient's medical record does not adequately support the medical necessity for the item, the supplier is liable for the dollar amount involved unless a properly executed Advance Beneficiary Notice (ABN) of possible denial has been obtained. Documentation must be maintained in the supplier's files for seven (7) years from date of service." Suppliers issue an ABN to beneficiaries when Medicare is expected to deny the billed item(s) or service(s). The signed ABN allows the beneficiary to accept financial responsibility if Medicare does not pay for the services.

Methods & Results

This report is an analysis of suppliers submitted as the "Rendering NPI" on Medicare Part B DMEPOS claims extracted from the Integrated Data Repository based on the latest version of claims as of January 24, 2018. The analysis includes claims with dates of service from October 1, 2016 to September 30, 2017.

There are over 6,000 suppliers nationwide with allowed charges for the HCPCS codes included in this study. Criteria for receiving the CBR are:

- Supplier is significantly higher than at least one of the peer groups on at least one of the measurements studied
- Supplier is near or above the 45th percentile in allowed charges (\$5,000)
- Supplier had at least ten beneficiaries

Table 1 provides a summary of your utilization for the HCPCS codes included in this CBR.

Table 1: Mock Data Summary of Your Utilization for Spinal Orthoses
Dates of Service: October 1, 2016 – September 30, 2017

Type	HCPCS Code	Allowed Charges	Allowed Services	Beneficiary Count
Custom-Fitted	L0627	\$9,594	25	25
Custom-Fitted	L0631	\$56,640	60	60
Custom-Fitted	L0637	\$3,812	1	1
Off-the-Shelf	L0642	\$1,926	5	5
Off-the-Shelf	L0648	\$35,619	37	36
Off-the-Shelf	L0650	\$0	0	0
	Total	\$107,591	128	127

Statistics were calculated for each supplier and the two peer groups, national specialty group (see appendix for more information) and DME MAC/specialty group. Based on the information obtained from the claims, you have been assigned to specialty group (e.g., **Physician/Nonphysician Likely to Have Orthotist Training**) and the DME MAC jurisdiction (e.g., **JA**). Each supplier's values are compared to his/her peer group values. There are four possible outcomes for the comparisons between the supplier and the peer groups:

- Significantly Higher – Supplier's value is higher than the peer value and the statistical test confirms significance
- Higher – Supplier's value is higher than the peer value, but the statistical test does not confirm significance
- Does Not Exceed – Supplier's value is not higher than the peer value
- N/A - Supplier does not have sufficient data for comparison

Table 2 presents the percentage of allowed services defined as custom-fitted (HCPCS code L0627, L0631, or L0637).

Table 2: Mock Percentage of Services Defined as Custom-Fitted
Dates of Service: October 1, 2016 – September 30, 2017

Number of Custom-Fitted Services	Total Number of Services	Your Percent	DME MAC / Specialty Group's Percent	Comparison with DME MAC / Specialty Group	National Specialty Group Percent	Comparison with National Specialty Group
86	128	67%	35%	Significantly Higher	38%	Significantly Higher

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

Table 3 provides the percentage of allowed services submitted without a visit to the referring provider within 90 days of the DMEPOS service date. The service date is defined as the date that the spinal orthosis order was filled by the DMEPOS supplier.

Table 3: Mock Percentage of Services without Visit to Referring Provider
Dates of Service: October 1, 2016 – September 30, 2017

Number of Services without Visit	Total Number of Services	Your Percent	DME MAC / Specialty Group's Percent	Comparison with DME MAC / Specialty Group	National Specialty Group Percent	Comparison with National Specialty Group
47	128	37%	14%	Significantly Higher	20%	Significantly Higher

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

Table 4 shows the average allowed charges per beneficiary for the one-year period.

Table 4: Mock Average Allowed Charges per Beneficiary
Dates of Service: October 1, 2016 – September 30, 2017

Total Charges	Total Number Beneficiaries	Your Average	DME MAC / Specialty Group's Average	Comparison with DME MAC / Specialty Group	National Specialty Group Average	Comparison with National Specialty Group
\$107,590.85	127	\$847.17	\$740.18	Significantly Higher	\$938.52	Does Not Exceed

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

References & Resources

The coverage and documentation guidelines for spinal orthoses are listed below. Please follow the guidelines pertinent to your region. A complete list of web links is located at <http://www.cbrinfo.net/cbr201803-recommended-links>.

Centers for Medicare & Medicaid Services:

- *Medicare Fee-for-Service Supplemental Improper Payment Data (2017)*
- *Appendices Medicare Fee-for-Service Improper Payments Report (2013-2016)*
- *HCPCS 2017 Index*

Office of Inspector General:

- *Work Plan Fiscal Year 2017*

Medicare Manuals:

- *Medicare Program Integrity Manual, Chapter 5*
- *Medicare Benefit Policy Manual, Chapter 15*

Medicare Learning Network:

- *DMEPOS Quality Standards*

Appendix

In an effort to define peer groups for general comparison purposes, DMEPOS suppliers and physicians/nonphysicians were assigned to one of the four following specialty groups. These groupings were made to better define a national peer group and are based on the likelihood that a particular supplier has the necessary orthotist training to make the modifications to custom-fitted spinal orthoses at the time of delivery. Specialty groups were assigned from the Medicare specialty code obtained from the claim as defined below. If a supplier reported multiple specialties, then the specialty group with the highest allowed charges was used to assign the peer group. Each supplier was compared to all other suppliers across the nation with the specialty group designation and to those within the DME MAC jurisdiction and specialty group.

DMEPOS Supplier Not Likely to Have Orthotist Training

- A6 Medical Supply Co with Respiratory Therapist
- B1 Oxygen Supplier
- 54 Medical Supply Co - Other
- 58 Medical Supply Co with Registered Pharmacist
- 63 Portable X-Ray Supplier
- 87 All Other Suppliers

DMEPOS Supplier Likely to Have Orthotist Training

- B3 Medical Supply Co with Pedorthic Personnel
- 51 Medical Supply Co with Certified Orthotic Personnel
- 52 Medical Supply Co with Certified Prosthetic Personnel
- 53 Medical Supply Co with Prosthetic/Orthotic Personnel

Physician/Nonphysician Not Likely to Have Orthotist Training

- | | |
|---------------------------------------|--------------------------------|
| A0 Hospital | 30 Diagnostic Radiology |
| A5 Pharmacy | 40 Hand Surgery |
| 01 General Practice | 41 Optometry (LLP) |
| 02 General Surgery | 48 Podiatry (LLP) |
| 04 Otolaryngology | 50 Nurse Practitioner |
| 05 Anesthesiology | 66 Rheumatology |
| 08 Family Practice | 84 Preventive Medicine |
| 11 Internal Medicine | 93 Emergency Medicine |
| 16 Obstetrics/Gynecology | 94 Interventional Radiology |
| 19 Oral Surgery (Dentists only) (LLP) | 99 Unknown Physician Specialty |

Physician/Nonphysician Likely to Have Orthotist Training

- | | |
|---|--|
| B2 Pedorthic Personnel | 55 Individual Orthotic Personnel |
| 12 Osteopathic Manipulative Medicine | 56 Individual Prosthetic Personnel |
| 13 Neurology | 57 Individual Prosthetic/Orthotic Personnel |
| 14 Neurosurgery | 65 Physical Therapist in Private Practice |
| 20 Orthopedic Surgery | 67 Occupational Therapist in Private Practice |
| 23 Sports Medicine | 70 Single or Multispecialty Clinic or Group Practice |
| 25 Physical Medicine and Rehabilitation | 72 Pain Management |
| 35 Chiropractic (LLP) | |