


Physicians' Billing Office		
SECTION:	CODING	POLICY: C505
PROCEDURE TITLE:	MEDICALLY UNLIKELY EDITS (MUE)	PAGE: 1 of 2
APPROVALS: FPG B&F Committee	PBO:	ISSUED: 01/24/11 EFFECTIVE: TBD
SUPERSEDES: N/A		

PURPOSE:

1. To improve the **efficiency** of **PBO** billing and collection operations by implementing pro-active claim edits based on payor rules and submitting cleaner claims to avoid back-end denials.
2. To promote **compliance** with state and federal regulations.
3. To optimize **revenue** by recoding services for the highest possible reimbursement based on provider documentation of services.
4. To improve the **quality** and integrity of claims by providing clear guidance to **PBO** staff on processing pre-billing edits.
5. To manage **FPG account receivables** more effectively, and expedite collections.

BACKGROUND:

Centers for Medicare and Medicaid Services (CMS) has implemented a unit of service (UOS) edit program, which was designed to reduce errors in quantities for certain services provided to a single patient, by a single provider, on the same date of service.

The program is called **Medically Unlikely Edits (MUE)**.

HCPCS/CPT codes listed in **MUE** tables have a maximum number of units that may be billed on a single claim line. Unit limitations are based on anatomic considerations, **CMS** policies, **HCPCS/CPT** code descriptors, coding instructions, etc., and may be updated by **CMS MUE** panel regularly.

Fiscal Intermediaries (FI) and Medicare Administrative Contractors (MAC) are instructed by **CMS** to adjudicate **MUEs** against each claim line item rather than the entire claim. This line item adjudication model allows providers to report the same **HCPCS/CPT** code on more than one claim line, while appending modifiers (i.e.-76, -77, -91, -59, etc) to each additional line of the same **HCPCS/CPT** code to indicate that the quantities exceeding **MUE** values were medically reasonable and necessary for the treatment of the patient.

Prior to CMS Change Request (CR) 6712 issued on March 17, 2010, **FIs** and **MACs** returned claim line items with quantities in excess of **MUE** values back to the provider for correction. Effective April 01, 2010, these line items are denied allowing providers to submit formal appeals to the adjudicator.

POLICY:

It is the policy of **FPG PBO** to implement and maintain pre-billing claim edits, which will pro-actively capture service codes reported with quantities in excess of established **CMS MUEs**. These service codes will be reviewed by **PBO** coding experts for coding optimization opportunities leading to the highest possible reimbursement.

Physicians' Billing Office		UCLA Faculty Practice Group
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POLICY CROSS REFERENCES:

N/A

APPLICABILITY:

This policy applies only to FPG PBO Customers.

MONITORING / ACCOUNTABILITY:

Each PBO billing unit must conduct frequent, regularly scheduled quality reviews to ensure adherence with this policy. Immediate corrective actions must be taken as necessary. These may include:

- a) Training and re-training of staff;
- b) Disciplinary actions;
- c) Escalating non-compliance to PBO director.

COGNIZANT OFFICE:

For interpretations of this policy, resolution of problems and special situations, contact:

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 Director of Physician Billing Office
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POLICY AUTHORITY:

UCLA Faculty Practice Group

REVISION HISTORY:

Original Policy issued:

Revisions: None

REFERENCES:

- CMS NCCI Edits manual
- Part B Answer Book