THE NECESSITY OF MEDICAL NECESSITY

Health care providers periodically see their requests for reimbursement denied due to “lack of medical necessity”. Payers have at their disposal the opportunity to deny payment to providers when they determine there is insufficient documentation of the need for the service rendered. There remains, however, confusion on behalf of many providers regarding the definition and interpretation of medical necessity. How do payers define and determine when to use it as a reason for payment denial?

The definition of medical necessity the Center of Medicare and Medicaid Services (CMS) provides, and many insurance carriers incorporate, is as follows. CMS defines medical necessity as “a service that is reasonable and necessary for the diagnosis or treatment of illness or injury, or to improve the functioning of a malformed body member.” Services must be:

1. Consistent with the symptoms or diagnoses of the illness or injury under treatment. The CPT code must relate to the ICD-9-CM. A level 5 visit, for example, would not relate to a sore throat, poison oak rash or a prescription refill.

2. Necessary and consistent with generally accepted professional medical standards, but not experimental or investigational.

3. Not furnished primarily for the convenience of the patient, the attending physician, or another physician or supplier. Patients often request specific drugs or tests based on recent news articles or television programs, none of which may be based on medical need.

4. The service must be furnished at the most appropriate level, which can be provided safely and effectively to the patient. After examining a patient for what appears to be an uncomplicated knee injury, the order of an MRI of the knee, before a conventional X-ray, may result in zero payment.

Medical necessity remains the driver on all code choices. From the payer’s point of view, all payments are based on problem-oriented medicine. Identification of the reason for the visit (chief complaint), documentation of the appropriate related history, exam and MDM (medical decision-making) would guide the provider in accurate code selection. Medical necessity is communicated primarily to the payer by accurate and appropriate ICD-9 diagnosis codes.

SLU CODING COURSE

In November 2004, twenty Saint Louis University employees began participation in a coding class moderated by Sally Frese and sponsored by the SLU University Medical Group. The course instructor is Robyn Simmons, CPC. The class meets weekly for instruction in the basics of professional coding for physician practice. This is the second coding course sponsored by the UMG. The first course, held in 1999, had 16 participants. Both courses required participants to commit to a rigorous course of study with plans to sit for the national certification exam offered by the American Academy of Professional Coders.

Guest lecturers have included faculty from the School of Medicine, Mort Kern MD, Department of Internal Medicine/Cardiology, Matthew Ulven MD, Department of Community and Family Medicine, and Keith Naunheim MD, Department of Surgery / Cardiothoracic.

Correct reimbursement for health care professional services is crucial in today’s environment of increased financial pressures and government scrutiny. While code selection will always be the physicians’ ultimate responsibility, certified coders involvement benefit an organization by ensuring a greater level of accuracy, consistency and quality in selecting the correct codes for provider service. Congratulations, coding students. We acknowledge your hard work and dedication.
To ensure reimbursement for comprehensive service to the complex patient population we serve, detailed and specific documentation is essential.

**HIPAA UPDATE**

**Security**

*It's 10:00 – do you know where your data is?*

The HIPAA Security Standards will go into effect on April 21, 2005. These security standards intend to protect electronic health information during processing, storage and transmission. New policies and procedures along with the provision of security awareness training sessions will be forthcoming as the implementation date approaches.

**Privacy**

Since the implementation of the Privacy Standards on April 14, 2003, the Office of Civil Rights has received more than 8,000 complaints of privacy violations and 125 cases have been forwarded to the Department of Justice for criminal investigation. Both civil and criminal sanctions in pending privacy violation cases are forthcoming and will establish precedence.

To ensure compliance with the HIPAA standards, SLU continues to conduct clinical site visits, audits and education programs. Monthly general awareness HIPAA sessions are offered for new faculty and staff. All faculty or staff members that work with or have exposure to protected health information (PHI) are mandated to complete a general HIPAA information session. The next general session will be held on Tuesday, May 10 at 4:00 p.m. in the LRC Room 113. Specialty specific sessions have recently been held with Medical Records staff, researchers, and several clinical departments. Requests for HIPAA education programs should be forwarded to Sally Frese at 977-5545 or fresesm@SLU.EDU.

**HIPAA QUIZ**

*When a patient requests a copy of his/her medical record, what procedure do I follow?*

Instruct the patient to contact the appropriate medical records department to request a copy of the record. The medical records staff will ask the patient to complete a written request form and will explain the process to the patient including the time frame for acceptance/denial of the request, fees for copies if appropriate, and options for obtaining the copies. Medical records personnel document the request and delivery of the protected health information. Complete information regarding this process is outlined in the SLU “Access to Inspect and Copy” Policy. Additional information may be obtained by contacting SLUCare Medical Records Department correspondence service at 268-7012.

**CELEBRITY SPOTLIGHT**

Jeffrey Mossoff, CMPE, chief executive officer of the University Medical Group is featured in the spotlight this spring. As chief executive officer, Mr. Mossoff is responsible for managing the fifteen department academic clinical practices and the related faculty practice plan of 350 faculty physicians who provide primary and tertiary care services at more than 100 locations in Missouri and Illinois. As a charter member of the Health Care Compliance Association (HCCA), he has demonstrated his commitment to addressing challenging issues in academic care practice.

An integral component of his role at SLU is promoting compliance activities in the organization. Mr. Mossoff is a member of the SLU Legal and Compliance Committee and assists with oversight, planning and project implementation. In a recent interview about the compliance initiative at SLU, Mr. Mossoff described a dual role for compliance activities in the organization. The first is to support the ongoing success and growth of the SLUCare practice with routine and pertinent education for physicians, residents, students and staff. This includes Compliance involvement and support by assisting our faculty (and departments) in the development of new and/or expanding clinical services.

Second, is to provide consistent oversight of documentation, coding and billing through routine audits, feedback and investigation of potential and actual infractions. On a larger, organizational level, Mr. Mossoff notes that compliance issues occur in clinical business ventures, research activities and education responsibilities and relationships. These activities promote high standards in business practice, ethics and integrity.

Mr. Mossoff said, “SLUCare is held to an even higher standard than other organizations because it is a Catholic, Jesuit organization with a well-defined mission statement; the ethics should be unquestionable.”