Diagnosis Code Confusion Leads to Medical Billing Errors

Confusion in diagnosis code makes it very critical for medical practitioners to code every procedure and disease accurately. Medical billing errors can lead to majorly incorrect inpatient claims and overpayments from the Medicare providers. Due to the high stakes involved, outsourcing the medical billing services is conveniently preferred.

Diagnostic CPT Code Confusion

The misinterpretation of the CPT codes, i.e. the five digit numeric codes used to describe the surgical, medical, radiology, anesthesiology, evaluation / management services by the laboratory, hospitals, physicians and many other medical care providers has caused substantial financial loss to several medical organizations.

Diagnosis Code Linking Confusion

The diagnosis lets the payer know the reasons for services provided by the medical practitioner. The confusion takes place either due to selection of a wrong code of a specific indication or when the patient is visiting for one or more condition, which can either be closely or remotely related. For example, a patient visits a family physician for diabetes, but also gets an injection for flu, so the office visit code should be linked to diabetes while the flu injection code to the corresponding diagnostic code or nurse visit code, in case of intervention by a nurse.

Diagnostic Code Modifier Misuse

Modifier codes basically specify or describe the special billing circumstances. The American Medical Association is responsible to develop the CPT modifiers, while the CMS develops the HCPCS codes. The confusion with this type of diagnostic codes is the random application with lack of understanding of the modifiers so as to claim a payment.

Diagnostic Codes Updates

It is not always possible that the concerned personnel are trained enough or are up to date about the constant, inevitable renewal / modification of the coding rules. Thus, it directly translates into rejection risk and hence outsourcing helps in such cases.
Case Study

Similar cases were observed in Providence Portland Medical Center and Overlook Medical Center which resulted in overpayment of $12,516 and $84,893. The Medical officials agreed upon the findings, attributing the errors to a lack of transparency in the coding guidelines, issues in the medical coding software used to interpret CPT and modifier codes.

How to Prevent the Errors?

It is very important to take charge when you are handling medical billing and coding:

- Billers should stay alert and updated on the billing and coding trends, refer good coding books, keep a check on new medical coding protocols, their impact on the billing, avoid simple clerical errors and double check the work while creating a claim
- Effective / regular communication with the concerned officials in the provider’s office
- Develop training packages for awareness of the global surgical package and the National Correct Coding Initiative (NCCI) edits
- The most cost effective and one stop solution is to outsource your medical billing and coding needs to a reputed medical billing services like MedicalBillersandCoders.com to ensure precise calculation with proper application of medical codes

Hence, from revenue and compliance point of view, accurate and well-informed use of diagnostic codes is quintessential for getting guaranteed payments from the insurance carriers. Outsourcing the billing is becoming increasingly popular in the US and is likely to take up a good 70% of the healthcare industry by the end of 2015.