

MEDICALLY UNLIKELY EDITS (MUE) PROJECT

CMS is announcing the renaming of this project to the “Medically Unlikely Edits (MUEs)” project. Originally, this initiative was referred to as the “Medically Unbelievable Edits” project. But based on suggestions from provider groups, including the Practicing Physician Advisory Council, CMS has renamed the project to better reflect the purpose of this effort.

The purpose of the MUE project is to detect and deny unlikely Medicare claims on a pre-payment basis in order to stop inappropriate payments. The MUE project is not meant to establish Medicare payment policy, but rather to improve the accuracy of Medicare payments. When MUEs are implemented, CMS will have an appeals process in place to ensure payment for medically reasonable and necessary services that exceed established MUEs. CMS is also exploring the need for claims modifiers to by-pass MUEs on a pre-payment basis in specific, medically reasonable and necessary situations.

Throughout this effort CMS will work with the provider community to discuss the statistical basis and/or the clinical rationale for establishing MUEs. In addition, CMS will continue to use its web site and listserves to communicate information about this initiative. We look forward to working proactively with the provider community to ensure our desired result of preventing improper Medicare payments without diminishing beneficiary access to appropriate medical care.

PROJECT SEQUENCE: In order to allow for further review and comment, CMS will not implement the entire MUE file that was disseminated for review and comment in early 2006. CMS will instead first implement anatomical edits in January 2007; typographical error edits in April 2007; and, then, decide on the sequence of other MUEs.

PROCEDURES TO SELECT MUE CRITERIA LEVELS: The CMS will develop MUE criteria based on data for past periods, clinical judgment of CMS health care professionals, and comments from the health care community. Thus, the ultimate objective in setting any element of MUE criteria is that the item is one on which prudent people would agree.

GUIDELINES FOR COMMENTS ON MUE CRITERIA: The Agency will conduct the MUE comment process through professional organizations as it has in the past, but as needed we may also utilize other mechanisms in the future. CMS plans to allow at least a 60 day comment period for all MUE releases and will specify the level of supporting information CMS expects related to substantive comments. CMS does not expect that anyone who comments will provide comments on all criteria and CMS will repeat the comment process whenever MUE criteria are revised.

TEST PERIOD: The CMS plans to have a test period before final implementation of MUEs. During the test period, CMS will assess the impact of MUEs on Medicare beneficiaries, providers, and contractors. Based upon the results of the test, CMS will modify MUE criteria as appropriate.