



Office of Financial Management / Program Integrity Group

September 18, 2008

Providers/Suppliers:

The Centers for Medicare and Medicaid Services (CMS) developed the Medically Unlikely Edit (MUE) program to reduce the paid claims error rate for Part B claims. The first edits were implemented January 1, 2007. Subsequently there have been quarterly updates increasing the number of edits. The edits were developed based on anatomic considerations, HCPCS/CPT code descriptors, CPT instructions, CMS policies, nature of service/procedure, nature of analyte, nature of equipment, and clinical judgment. Prior to implementation, all edits were reviewed by national healthcare organizations, and their alternative recommendations were taken into consideration. In 2008, CMS has been refining the edits based on 100% submitted claims data from a six month period in 2006.

CMS is pleased to announce that beginning October 1, 2008, coincident with implementation of MUE version 2.3, the majority of existing MUEs will be made public and posted on the CMS website accessed through the MUE webpage at http://www.cms.hhs.gov/NationalCorrectCodInitEd/08_MUE.asp#TopOfPage.

The published MUE will consist of most of the codes with MUE values of 1-3. At some future time, these edits will also be available from the National Technical Information Service.

CMS will not publish all MUE values that are 4 or higher because of CMS concerns about fraud and abuse. National healthcare organizations and contractors with information about MUE values that are not published on the CMS website should continue to maintain confidentiality of those values. In addition, a minimal number of MUEs with lower values that are believed by CMS to be particularly vulnerable to fraud and abuse may not be published.

CMS will update the MUE values on its website on a quarterly basis coincident with each quarterly version of MUE. Future postings of MUE values will also include some codes with MUE values of 4 or more.

CMS is concerned that providers will incorrectly interpret MUE values as utilization guidelines. MUE values do NOT represent units of service that may be reported without concern about medical review. Providers should continue to only report services that are medically reasonable and necessary.

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National Healthcare Organizations may notice that some MUE values differ from the ones originally implemented based on their alternative recommendations. Some MUE values have been modified in 2008 based on the data refinement using the 100% submitted claims data from a six month period in 2006. The data refinement has resulted in some MUE values being increased and others decreased.

Further information about the MUE program and requests for reconsideration of MUE values may be viewed in the FAQ (Frequently Asked Questions) link from the CMS MUE webpage cited above.

Sincerely,

/s/

Kimberly Brandt
Director
Program Integrity Group

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