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In Glimpse of What's Ahead, RAC Denies Claims for Panniculectomy

By Nina Youngstrom

All may seem relatively quiet on the recovery audit contractor (RAC) front, but claim denials keep coming, and certain outpatient procedures have caught the RAC's attention. They're worth noting because one of the procedures, panniculectomy, will be subject to Medicare prior authorization in July, and the other set, vertebroplasty/kyphoplasty, may be subject to local coverage determinations (LCDs) that have a disqualifier for vertebra measurement and/or require the consensus of multiple specialists, depending on the Medicare administrative contractor (MAC) jurisdiction. The common denominator is the RAC's quest for proof the procedures are medically necessary.

"Chasing down documentation is the hardest piece," said Darren Anderson, director of clinical denials management at Vidant Health in Greenville, North Carolina. "Surgeons aren't the most verbose when they document their reason for doing what they were doing." Inevitably the pursuit takes him to the primary care physician's door. "The further we get down that road, the less likely we are to have any significant medical records to substantiate the medical necessity for a procedure."

Panniculectomy, a procedure to remove the pannus (excess skin and tissue from the lower abdomen), is on the RAC hit list nationally. "If a panniculectomy is billed at the same time as an open abdominal surgery or is incidental to another procedure, it is not separately payable," the RAC website said. "In addition, documentation will be reviewed for medical necessity."

RAC Denial Noted Patient's Weight Gain

Anderson doesn't necessarily agree with the reasoning for the RAC's recent denials of panniculectomy, but the spotlight should help Vidant Health protect its claims with prior authorization looming. According to one review results letter, a woman presented with documentation of an abdominal pannus after weight loss. The physician documented the pannus hung to her upper thighs, with rash and blisters under the pannus, and low back pain and reduced mobility.

The RAC contends that the documentation didn't support the medical necessity of the services: CPT 15830 (excision, excessive skin and subcutaneous tissue [includes lipectomy]; abdomen, infraumbilical panniculectomy). "The medical record was without evidence that the rash and blisters were present for three months or greater and that the patient had maintained a stable weight for three months. The physician documented a weight gain of eleven pounds," the review results letter stated. Therefore, the services wouldn't be covered per Medicare coverage criteria, based on the *Medicare Benefit Policy Manual*^[1] and Palmetto GBA's LCD L33428.^[2]

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