Medicare Administrative Contractors (MACs) Increase Focus on Polysomnography Compliance

By Marietta B. Bibbs, BA, RPSGT, CCSH, FAAST

In late 2020, free-standing and hospital-based sleep centers began receiving communications from Medicare Administrative Contractors (MACs) asking for attestations that they were in compliance with their local coverage determinations (LCDs) for polysomnography. LCDs are decisions made by a MAC whether to cover a particular item or service in their jurisdiction (region). MACs are contracted by Medicare to develop LCDs and process Medicare claims. The MAC’s decision is based on whether the service or item is considered reasonable and necessary.

The Centers for Medicare & Medicaid Services (CMS) awards geographical jurisdictions to MACs (private health care insurers). National coverage determinations (NCDs) supersede LCDs, but LCDs provide expansion on coverage policies for each jurisdiction. Coverage policies vary among LCDs related to coding, credentialing, diagnostic testing and treatment. This means that Medicare coverage can also vary depending on the geographical location. LCD contractors must follow a specified procedure to issue an LCD, including holding public meetings to discuss a draft LCD, distributing it to medical groups, posting it on their website and offering a 45-day period for public comments (posted on their websites prior to finalizing the LCD).

Although the requirements for polysomnography have been in force since 2010 with frequent revisions each year, hospital-based sleep centers have not always understood or followed the policy of their MAC. This is specifically true for hospitals that are located in a different state than their corporate headquarters. Hospitals may not be operating under the MAC for the state where it resides. This has been the focus of increased requests for attestations from the MACs.

One of the MACs in particular that has been requesting a verification review is Wisconsin Physicians Service Insurance Corporation (WPS). This issue appears to be more prevalent among hospitals that have maintained a contract with a MAC other than the one that is associated with their geographic state or region. WPS (LCD L36839) covers jurisdictions 5 and 8 (including the states of Iowa, Kansas, Missouri, Nebraska, Indiana and Michigan), but it also covers some providers outside its jurisdiction, which has been its focus for requested attestations.

Hospital-based sleep centers are usually visited by The Joint Commission (TJC) when it surveys the hospital and, in many cases, hospital-based sleep centers have assumed that The Joint Commission Hospital Accreditation Program also covered services for polysomnography; however, in 2017-2018, four MACs (WPS, CGS, Noridian and Palmetto) revised their LCD policies for polysomnography and issued a determination that The Joint Commission Hospital Accreditation Program was not sufficient for payment of polysomnography services but TJC accrediting a general hospital as an ambulatory care sleep center is sufficient. TJC accreditation for the general hospital does not meet WPS Government Health Administrator’s (GHA) credentialing requirements since it is not the same as a sleep-specific accreditation.

Hospital-based sleep centers that are not accredited by an appropriate body are now making a concerted effort to ensure that they are compliant with MAC rules, which vary among jurisdictions. The required sleep center or laboratory credentials for WPS, CGS, Noridian and Palmetto are:

1. The sleep facility credentials must be from:
   - The American Academy of Sleep Medicine (AASM), inpatient or outpatient; OR
   - The Joint Commission (formerly the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) sleep specific credentials for ambulatory care sleep centers; OR
   - The Accreditation Commission for Health Care (ACHC)

All centers billing sleep studies must maintain proper certification documentation as defined above.

The coverage criteria for some of the other MACs differ in language from WPS, CGS, Noridian and Palmetto.

Hospital-based sleep centers that are not accredited by an appropriate body are now making a concerted effort to ensure that they are compliant with MAC rules.
Novitas Solutions (LCD L35050):
(Language does not specify TJC accrediting a general hospital for an ambulatory care sleep center, but is broad and only notes certification by TJC.)

All reasonable and necessary diagnostic tests given for the medical conditions listed in subsection B are covered when the following criteria are met: (Please refer to CMS Publication 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 70 for complete information.)

- The hospital-based clinic is under the direction and control of physicians that are board certified or eligible in sleep medicine. All non-hospital-based facilities in addition must be certified by the AASM, The Joint Commission, or ACHC.

Diagnostic testing routinely performed in sleep disorder clinics may be covered even in the absence of direct supervision by a physician.

First Coast Options: (Language specifically states that hospital-based sleep centers do not require an additional accreditation if under the hospital’s general TJC accreditation.)

Facility Accreditation:
In order to perform the technical component (TC) of PSG and sleep testing (including HST), the following must be met:

- The sleep center or laboratory must maintain documentation on file that indicates it is accredited by the American Academy of Sleep Medicine (AASM), Accreditation Commission for Health Care (ACHC), or that it is accredited as a sleep laboratory by the Joint Commission. If the Joint Commission survey of the general hospital accreditation includes the hospital-based sleep lab, an additional accreditation is not needed. This documentation must be available on request. The AASM, ACHC, or Joint Commission accreditation applies to the hospital and freestanding facilities (including sleep clinics that are part of a physician’s office, and all other non-hospital-based facilities where sleep studies are performed).

Why Are MACs Focused on Accreditation?

The MACs are linking accreditation and payment to deter non-accredited people from billing the federal government for services such as polysomnography and to clarify which providers should be ordering and performing these services. The MACs are focused on validating whether the polysomnography service performed is reasonable and necessary for the level of service billed. Over the past several years, there has often been a large amount of fraudulent billing for sleep services, and many sleep centers have sustained heavy fines and had to repay CMS. In its review, the Office of Inspector General (OIG) has found sleep services that did not have appropriate certified technical staff, credentialed physicians (ABSM or ABMS certification in sleep medicine or board eligible) or proper sleep center accreditation.

In June of 2019, the OIG released a report titled “Medicare Payments to Providers for Polysomnography Services Did Not Always Meet Medicare Billing Requirements A-04-17-07069.” The report noted that from Jan. 1, 2014, through Dec. 31, 2015, Medicare paid free-
standing facilities, hospital and physician-based facilities approximately $800 million for polysomnography (procedural codes 95810 and 95811). Previous OIG reviews for polysomnography services found that Medicare paid for services that did not meet Medicare requirements. These reviews identified payments for services with inappropriate diagnosis codes without required supporting documentation. Since this report, there has been increased billing for home sleep tests by companies and free-standing diagnostic testing facilities, many of which are owned by nonmedical personnel.

If visited by the OIG, documentation requests may include such things as the physician’s order for treatment; documentation that supports the necessity of the sleep service, including symptoms or complaints for conditions like sleep apnea, narcolepsy and parasomnia; all progress and treatment notes for the claim date(s) of service; sleep study test results and interpretations, including documentation that supports actions taken related to results; valid clinical signatures; signature logs, including the printed names and signatures of all personnel documenting in the chart; copies of licenses and/or certifications for all personnel documenting in the chart or performing services, including the physician interpreting the test results and the technician performing the test; documentation supporting the sleep center’s credentials; and documentation supporting the reason for repeated sleep studies.

If you work in a sleep facility, it is important to follow the LCD for that state or to find out if your facility may be under a jurisdiction outside the state where the facility is located.

References
2. CMS Publication 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 70 Sleep Disorder Clinics, Subsection, B. Medical Conditions for Which Testing is Covered.

MACs Jurisdiction by State (cms.gov)

<table>
<thead>
<tr>
<th>MAC Jurisdiction</th>
<th>MAC</th>
<th>Processes Part A &amp; Part B Claims for the following states:</th>
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<tr>
<td>5</td>
<td>Wisconsin Physicians Service Government Health Administrators</td>
<td>Iowa, Kansas, Missouri, Nebraska</td>
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<td>6</td>
<td>National Government Services Inc.</td>
<td>Illinois, Minnesota, Wisconsin</td>
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<tr>
<td>8</td>
<td>Wisconsin Physicians Service Government Health Administrators</td>
<td>Indiana, Michigan</td>
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<td>15</td>
<td>CGS Administrators LLC</td>
<td>Kentucky, Ohio</td>
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<td>E</td>
<td>Noridian Healthcare Solutions LLC</td>
<td>California, Hawaii, Nevada, American Samoa, Guam, Northern Mariana Islands</td>
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<tr>
<td>H</td>
<td>Novitas Solutions Inc.</td>
<td>Arkansas, Colorado, New Mexico, Oklahoma, Texas, Louisiana, Mississippi</td>
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<tr>
<td>J</td>
<td>Palmetto GBA LLC</td>
<td>Alabama, Georgia, Tennessee</td>
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<tr>
<td>L</td>
<td>Novitas Solutions Inc.</td>
<td>Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania (includes Part B for counties of Arlington and Fairfax in Virginia and the city of Alexandria in Virginia)</td>
</tr>
<tr>
<td>M</td>
<td>Palmetto GBA LLC</td>
<td>North Carolina, South Carolina, Virginia, West Virginia (excludes Part B for the counties of Arlington and Fairfax in Virginia and the city of Alexandria in Virginia)</td>
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<tr>
<td>N</td>
<td>First Coast Service Options Inc.</td>
<td>Florida, Puerto Rico, U.S. Virgin Islands</td>
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</tbody>
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Chart as of June 2021.

5. ACHC Sleep Accreditation Standards
6. The Joint Commission New Requirements for Ambulatory Care Organizations Providing Sleep Center Services. [Ambulatory-Health-Care-Accreditation](https://www.jointcommission.org/Ambulatory-Health-Care-Accreditation/)

MARIETTA B. BIBBS, BA, RPSGT, CCSH, FAAST, is the system manager of sleep disorders services and clinical research coordinator at BayCare Health System in Clearwater, Florida. She is the 29th person to achieve registration in sleep technology and 35th to achieve the CCSH credential. Marietta is a past president of the Board of Polysomnographic Technologists (BRPT) and past chair of the BRPT Exam Development Committee. She served two terms as member-at-large on the Board of the American Association of Sleep Technologists (AAST) and is a past member of the American Academy of Sleep Medicine’s Scoring Manual Committee, the AAST Educational Advisory Committee and the AAST Healthcare Reform Committee. She currently serves on the AASM Diversity, Equity and Inclusion Committee and The National Sleep Foundation’s Communication Committee, and she coordinates the annual Southern Sleep Society Meeting. Marietta is a past recipient of both the Elliott Weitzman Award and the McGregor Award through AAST and received the BRPT’s Shining Star Award.