

# Tales from the Crypt – Audit Tactics of Government Contractors for Physicians & Tactics for Response

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# Presenter

## Cristine Miller

- Certified Medical Practice Executive (CMPE)
- Certified Coding Professional (CCP)
- Certified in Healthcare Compliance (CHC)
- 24 years experience in healthcare consulting



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# Current Potential Auditors

- ◎ The following agencies are the most active auditors in the physician arena:
  - RAC (Recovery Audit Contractors)
  - MAC (Medicare Administrative Contractors)
  - ZPIC (Zone Program Integrity Contractors)
  - MIC (Medicaid Integrity Contractors)
  - PSC (Program Safety Contractors)
  - OIG (Office of the Inspector General, State, Federal)
  - DOJ (Department of Justice)



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# How Do They Find You?

- A red flag from data mining
- A whistleblower from your practice
- A competitor
- A random audit
- A review of providers initiated because of other problems in the geographic area or by specialty



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# Process

- ◎ Usually government auditors will start with a “probe” sample request
  - They will send you a letter requesting “small” (10 – 50 records) sample depending upon the type of entity.
  - If they identify a problem, they will request an ADR (Additional Document Request) that will be a much larger sample
  - This process could take as long as six months to two years



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# Process

- Once the review is completed, the entity will receive a letter that provides the results of the audit and the action that the auditor has taken.
- If overpayments occurred based on the audit, a demand for payment will be identified
- The demand letter will come under separate cover
- Your appeal rights and timing will be specifically identified in the results letter



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# Actions

- ① When you receive a probe letter, immediately contact an attorney to make sure that any action taken is covered under attorney/client privilege
- ① Review the records to determine whether or not a trend is evident
- ① In some cases, a probe sample can cover different types of problems and if one is identified, then a larger request may be made about that issue



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# Actions

- ⦿ If a trend is identified, perform data mining on your system to locate similar diagnosis, cpt or hcpcs codes that will lead you to other patients that match the sample criteria
- ⦿ Review the documentation to determine if there is a systemic problem and to begin formulating your defense
- ⦿ If an ADR is sent, examine those documents to determine if you are correct in your identification of a trend
- ⦿ Work with your attorney to identify level of risk



# Recent Judgments

- ◎ Remicade settlement in Kentucky –
  - Physician was accused of billing for residual amounts left in vials of Remicade
    - Settlement amount - \$349,860
    - This case started with a whistleblower



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# Recent Judgments

- Health care entity accused of knowingly using the wrong place of service code for Medicare claims
- Difference in actual place of service and billed place of service was approximately \$100.00
- Criminal case settled, civil case pending



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# Total Impact of OIG in 2010

- ⦿ \$4,021,000
- ⦿ 3,340 individuals and entities excluded



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# Recent Judgments

- 6 sentenced to jail time and financial penalties of \$3,082,000 for billing for psychotherapy that was not provided to patients
- 1 attorney, 3 clinical social workers, company owners



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# Addressing the Threat

- ① Prepare an invoice with a standard letter and a copy of the recoupment EOB (redacted from any other patient information) and send immediately to the SNF
- ① A phone call to let them know it is coming might be an added touch



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# Keep the OIG Out!

- ◎ Perform ongoing compliance audits on:
  - Documentation
  - Billing practices
  - Credentialling
  - Background checks
  - Maintain records on these audits as proof of ongoing compliance audits
  - Correct errors and rebill for over and underbilling findings



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# Keep the OIG Out!

- Perform compliance testing on coders and on billing associates
- Maintain educational levels and training on all changes
- Keep records on all training and education



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# Best Practice to Move Forward

- ◎ Evaluate
- ◎ Identify
- ◎ Educate
- ◎ Improve
- ◎ Observe

REPEAT!



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# Questions?



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# Thank You!

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