



Compliance Update

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Montgomery County Medical Society

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Today's Topic Covers:

- Overview / Current Environment
- Compliance Plan Development
- Compliance Plan Monitoring
- Risk Management



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Current Environment:

Governments need money
(both State and Federal)



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Current Environment:

Medicare and Medicaid

- Cover 25% of all Americans
- Represents 19% of the Federal budget



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Current Environment:

More money and focus has been allocated to enforcement than any other area of the government healthcare budget.



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Current Environment:

The government enforcement staff and contractors are looking for 'low hanging fruit'.



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Current Environment:

Average audit statistics show that Govt collects \$5.40 for every \$ spent – pretty good ROI.....

So, fighting fraud is a GOOD investment!



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Current Environment:

Every practice needs to be aware of whether they are in compliance.

There is a perfect storm brewing....



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Current Environment:

There are more electronic edits available to Medicare than ever before.



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Current Environment:

This allows the Gov't to target practices that are outliers on many different levels (i.e., coding, modifiers, unbundling, billing during a global period)



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Audit Process:

- Starts with CERT (Comprehensive Error Rate Testing) audits
- Pre-Payment Reviews
- RAC (Recovery Audit Contractors)
- ZPIC (Zone Program Integrity Contract) audits



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Current Environment:

Compliance Plans are mandatory under the ACA in order for practices to participate in Medicare and Medicaid. Final rules are in process.



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Current Environment:

Locally.... What are we seeing?

- Cardiology Example
- Pain Management Example
- Wellness/Rehab Example



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Compliance Plan Development:

TWO PRONG APPROACH

Philosophical Approach:

You need to CREATE A CULTURE OF COMPLIANCE in your Practice.



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Compliance Plan Development:

Technical Approach:

Develop a Compliance Plan for your practice.



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Compliance Plan Development:

7 Elements of a Compliance Plan



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#1 Compliance Standards and Procedures

- Develop standards and procedures reasonably capable of reducing the prospect of erroneous claims and fraudulent activity.



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#2 Oversight Responsibilities

- Designate a Compliance Officer (one or more high-level individuals – Dr. and Mgmt)
- Use due care in your selection process.



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#3 Education and Training

- Communicate in a meaningful and effective manner.
- Training to include:
 - In-person sessions
 - Newsletters/articles
 - Compliance/Risk Mgmt bulletin board



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#4 Monitoring and Auditing

- Evaluate effectiveness on an ongoing basis.
- Conduct external and internal chart audits.

#5 Open Lines of Communication

- Need an accessible system for reporting activities, questions, and concerns.
- Failure to report would be a violation of the Compliance Program.

#6 Enforcement and Discipline

- Enforce compliance standards through consistent & appropriate disciplinary action.
- Discipline for individuals who should have detected an offense but failed to do so.

#7 Response and Prevention

- Respond promptly and appropriately.
- Take Corrective Action.
- Prevent similar offenses from occurring in the future.

Resources:

- **OIG Website (www.oig.hhs.gov):**
- **Education materials on fraud and abuse, summary of laws/regs, etc.**
- **Full training sessions slides**
- **Other resources you may need**



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Monitoring Your Compliance Plan:

- Utilize your Compliance Committee
- Fine tune the Plan as you implement
- Develop a process to evaluate it
- Develop monitoring benchmarks



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Monitoring Your Compliance Plan:

- Continuous discussion and training
- Proactively audit providers, especially on identified problem areas
- Act promptly and develop a Corrective Action Plan if necessary



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- Important to keep up w/changes through Alerts & Special Advisory Bulletins.
- Assign this task to someone on the Committee



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And.....

When in doubt, ask for help!



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Risk Management for Your Entire Practice:

- Accurate billing and coding, including proper use of modifiers
- Reasonable and medically necessary services (medical record should fully support service)



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Risk Management for Your Entire Practice:

- Adequate documentation for what is billed
- New risk areas with EMR systems



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Risk Management for Your Entire Practice:

- Compliance with Assignment Rules
- Incident To Services
- Place of Service Errors



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Risk Management for Your Entire Practice:

- Management of credit balances, especially for Federal and State Payers (Section 6402 of ACA).
- May be considered a false claim if not refunded within 60 days of ID.



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Risk Management for Your Entire Practice:

- Encourage coding training for all practitioners (and coding staff of all types) once per year (even if just doing a module on the Medicare website – Medicare Learning Network)



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Risk Management for Your Entire Practice:

- Be sure to include HIPAA training and monitoring (increased enforcement)



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Risk Management for Your Entire Practice:

- Fraud and abuse, including improper inducements, kickbacks, and self-referrals
- Penalties include: Payment denials, monetary penalties, & possible exclusion from Medicare or Medicaid program



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Risk Management for Your Entire Practice:

- Monthly exclusion checking for all employees (including Physicians and Contractors and before hiring any new employee)



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Exclusion Websites:

<http://exclusions.oig.hhs.gov/search.html>

<http://epis.arnet.gov>

Risk Management for Your Entire Practice:

- Always review the annual OIG work plan.
- This will tell you what the govt is focusing on each year.
(www.oig.gov)



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In Summary:

- Compliance Plans and training are essential in medical practices
- Increasingly aggressive Federal and State enforcement



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In Summary:

- Whistleblowers are driving government priorities
- Appoint a Compliance Officer and a Compliance Committee (depending on practice size)



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In Summary:

- Focus on billing, coding, and medical necessity compliance efforts for biggest effect.



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In Summary:

- Exception for small and solo practices – Review Regulation 65 Fed Reg. 59,434 (10/5/2000)... to see if your practice qualifies.



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In Summary:

- Build a **CULTURE OF COMPLIANCE** from the front desk to the back office.



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Any Questions?

