

Dermatology Coding Alert

Compliance; Curb Upcoding Mistakes Before You Run Afoul of the OIG

Practice size does not matter when dealing with compliance -- even solo practitioners have to stay on the straight and narrow.

Even small dermatology practices have to stay compliant with government regulations -- and although this sounds like a simple fact, it's one that many Part B providers may overlook.

Ensuring physician practice compliance can be a complex path, and many practices think of it as something that large hospitals should focus on -- after all, those are the entities that get all of the media exposure when they violate compliance rules. But every practice is responsible for compliance, no matter how big or small.

Doctors Take Note

In some cases, small practices think compliance rules don't affect them -- but also don't realize they're at risk of being noncompliant.

Example: "I met with a solo practitioner a few years ago who hired me as a consultant," says **Laura E. Hill, CPC, CPC-I**, an Arizona-based compliance consultant.

"It was my sad duty to let him know that his office manager, who submitted all of his claims, was upcoding all of his office visits as she entered them into the computer so that she could pay his quarterly malpractice-insurance premiums," Hill says. "She had been working for him for 10 years and was a loyal and trustworthy employee."

The fault was the physician's, because he never took the time to review the monthly reports that the office manager gave to him, Hill says. He also never looked closely at his deposits into his corporate checking account, where there was an obvious trend toward increased deposits every third month.

Pay attention to your advisors: In the example above, the physician's accountant had pointed the problem out to him, "but he accepted his office manager's explanation that insurance companies often held payments until the end of the quarter so that they made more money on interest collected during the three months they delayed paying on claims," Hill says. "He was very upset when I advised him he would have to self-disclose to all of the insurance companies for the 10 years she had been doing his billing and that he would have to send a check for the overpayments along with the letters."

Why? It was the physician's responsibility to handle the overpayments since he owned the practice and the claims were submitted using his provider number. "He is charged with the oversight of the billing and coding procedures," says **Mark C. Rogers, Esq.**, with The Rogers Law Firm in Braintree, Mass.

The following four considerations should come into play in a scenario such as this, Rogers advises:

- >> The physician should immediately terminate the office manager's employment.
- >> A full audit of the practice's billing should take place since the office manager began her employment (if there is a problem with upcoding in one area; there are likely problems elsewhere, Rogers says)
- >> As part of his self-disclosure, the physician should indicate what he has done to ensure that such a scenario will not happen again. In particular, the termination of the employee and the implementation of an effective corporate compliance program; and

>> Fully document the above steps.

Know How to Avoid These Issues

The scenario described above can affect practices of all sizes. "Few practices have a set compliance plan that they work and they keep alive," Hill says. Following are two tips that she has gleaned through her auditing work, which you can use to make sure your practice stays on the straight and narrow.

>> Internal audits are a must, with a minimum of quarterly physician education included. "Making money as a physician today is a constant challenge," Hill says. "Most physicians see 10 times as many patients than they did 10 years ago just to make the same amount of money. All too often, the corners that are cut are related to the quality and integrity of their staff."

>> Keep an eye on HIPAA: Complete disregard for even the basic HIPAA laws is common as well, Hill says. "The longer the practitioner has been in practice, the worse the infractions are."