

Internal Medicine Coding Alert

What Your IM Practice Should Know about Compliance Plans

More and more often at conferences, seminars, and on the Internet internal medicine practice managers are hearing the phrase compliance plan.

The American Medical Association has compliance plan guidelines on their Web site (www.ama-assn.org), and there is advice about developing a compliance plan everywhere you turn. What is a compliance plan and what does all of this mean for your internal medicine office?

First of all, don't panic if you don't have a plan in place, says **Kathy Palmerton, CPC**, a practice management consultant with the Healthcare Services Group at the accounting firm of Gordon, Odom and Davis in Sacramento, CA.

A compliance plan is comprehensive documentation that a health care organization is aware of all federal and state laws affecting their business and has protocols and operating procedures in place that ensure compliance with all of these regulations. Although most people think of it in reference to billing practices, it should cover everything from billing and coding to hiring procedures and workplace safety.

Palmerton recently contacted the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) about the alleged requirement that medical practices have a compliance plan.

The rumors that we've been hearing are not true, she says. It is not mandated for medical practices at this time.

Right now, it is home health agencies, hospitals, and independent physician associations (IPAs) that must develop compliance plans.

However, many experts are recommending that medical offices develop a compliance plan because, in the event of a Medicare audit, it can be used to show that the practice intends to follow Medicare regulations and is evidence that there is no intent to defraud.

If you have a plan, that says to Medicare that you are trying to comply, you are not trying to do anything fraudulent. If they find anything amiss, it is an error, she clarifies.

Plus, establishing and maintaining a compliance plan can help physician practices avoid activities that could possibly be attacked under the fraud and abuse statutes, Palmerton adds.

Audits Can Happen

Your coding and billing practices could be perfect, and that is still no guarantee your practice won't face a Medicare audit, as practice manager **Sherry Preslar**, of Covington Internal Physicians, PC, a two-physician practice in Covington, TN, discovered.

One of Preslar's physicians was overseeing the care of patients using the services of a local home health agency. The agency was audited by Medicare and, one day, an FBI agent showed up at her office.

He just came in, showed me his badge, and asked to see these records [relating to the care of the home health patient], says Preslar.

Though the auditor didn't find anything wrong with the billings of Preslar's physician, the experience was unnerving, to

say the least.

This episode, combined with the announced crackdown on fraud and abuse by the Department of Health and Human Services (DHHS) Office of the Inspector General, convinced Preslar that she needed to act.

She developed a compliance manual for her small office. The manual is a thick binder containing all of the offices operating protocols and procedures, and copies of applicable Medicare guidelines and individual payer requirements. (See below.)

This manual serves as the key component and backbone of her office compliance plan. Employees each have a copy and are required to submit a signed form to Preslar stating that they have read the manual and will abide by its stipulations.

Anybody that bills an insurance company or Medicare for anything should have a compliance manual on file, she opines.

Using the Manual as Part of Compliance Plan

According to DHHS requirements, Preslar says, a compliance plan must contain these elements: a general statement of compliance, the appointment of a compliance officer with a high-level of responsibility within the organization, effective training programs for all professional and support personnel and, an in-house auditing and monitoring process.

The fact that the office has the manual and the employees are required to state in writing that they have read it and will comply with its mandates takes care of several of these elements, Preslar says.

The employees know that failure to adhere to the compliance manual is grounds for immediate dismissal, and I have the signed form to prove that, she says. You can give someone a book, but you cant make them read it. This way I hold them responsible for reading it.

Preslar, as the office manager, is also the compliance officer.

To fulfill the auditing and monitoring process, she periodically pulls charts and audits the physicians for documentation compliance, and she spot audits the record-keeping of other staff as well.

Any audit that exposes a lack of compliance could result in an employee either losing vacation time or being dismissed, she notes.

In this day and age, you cant be too careful, Preslar says. The next time a man with a badge comes to her office she is sure theyll be ready.

Essential Components of an Office Compliance Manual

Sherry Preslar, office manager of Covington Internal Physicians, PC, in Covington, TN, recently developed a compliance manual for her practice.

The information is kept in a thick binder in the office, each employee has a copy, and Preslar requires her employees to sign a form indicating that they have read the manual and agree to abide by the its policies and requirements.

Here is what her manual contains:

1. Copy of the 1997 E/M Documentation Guidelines. Her practice uses the 1997 Guidelines. The manual contains a list of each level of service, what constitutes each level of service, and the documentation requirements that will justify each level of service.

2. Instructions for making charts. This is a list of what information must be in a patients chart and in what order that information should be kept.

For example, we require a separate list of medications and that this list be kept up to date, Preslar explains. Allergies must be posted, requirements like that.

The practice manager has also included blank copies of the chart components: history and physical form, medication sheet, and progress notes.

3. Medicare waiver forms. We have a copy of the Medicare waiver form and guidelines for obtaining waivers on Medicare patients, she states. It has to be filled out on any procedure you dont think Medicare will cover and you have to have that filled out and signed by the patient on the date of service, and this must be included in the patients chart.

4. Release of medical information. Preslar has included guidelines on the release of medical information.

Note: These guidelines will vary from practice to practice depending on state laws regarding the release of this information.

She has also included in the manual the copies of the form she uses to get patient authorization for release of the records.

5. A telephone protocol. Preslar requires her front-office staff to follow a specific procedure when speaking to patients on the phone. They are required to get the patients name, the date, and the patients record number and write this information on the standard message form. Her phone message form also includes a check-off list of possible medical problems, such as allergy, back pain, weakness, etc., Preslar adds. The manual includes copies of this form, as well as the requirement that staffers give the call directly to a nurse if the patient has severe symptoms.

6. Patient information sheet. Copies of the form Preslar uses to obtain patient insurance information and the patients authorization for treatment by the specific doctor are included in the binder.

7. Information on the procedure and charges for copying medical records. In Tennessee, practices must respond to a request for copies of medical records within 10 days, no exceptions, Preslar says. The state also prohibits practices from withholding a patients file due to a delinquent bill. All of these requirements are stated in the manual.

8. Copies of the lab certification. Preslars office maintains their own lab. She has the CLIA license and number in her manual.

9. Information about the office. Standard information about the office hours, number of providers, insurance plans contracted with, and the co-payments the plans require are included.

This section also includes a statement that it is the offices policy to file all insurance as a courtesy to patients, Preslar adds.

It is our policy to file all insurance that comes through the door, she says. While we do not always accept assignment, we do file the insurance as a courtesy to all patients.

10. A list of all employees and their titles. This section also includes the information about punitive measures that will be taken against employees who fail to adhere to the compliance manual requirements.

11. Copy of OSHA compliance guidelines.

12. Office policy on proper medical record-keeping and documentation.

We probably over-emphasize the importance of keeping complete medical records and documenting everything that we do.