

Optometry Coding & Billing Alert

Reader Question - Liability Insurance: It's Worth Asking About

Question: I've heard a lot of talk recently about biller and coder liability insurance. What exactly is this and do I need it?

Maine Subscriber

Answer: Biller and coder liability insurance will pay for legal costs and potential liability (as outlined in the individual policy) in the event of a false-claims or other fraudulent-billing lawsuit.

Since billers and coders can be held responsible for fraudulent billing -- whether or not they are knowingly involved in the fraud -- liability insurance is certainly a good idea. However, there are several factors to consider.

1. If you are a biller in a physician's office, chances are you may be covered for liability under the provider's practice insurance. It's a good idea to ask your employer if you are covered under his policy. In you are not covered, the out-of-pocket expense for personal biller/coder liability insurance may be prohibitive.
2. If you are an independent coding or billing consultant, you absolutely should have liability insurance. In fact, many physicians' offices may not even hire you without liability coverage. If you do not have personal coverage, be sure that any potential employer has coverage for you and that it's outlined in your contract.
3. What's actually covered: Personal biller and coder liability insurance is not a panacea for all fraudulent billing activity. Most policies will only protect you in the event of a minor claims error caused by negligence that leads to someone else losing money. The insurance may not necessarily cover more serious fraud charges that involve intentional or serious wrongdoing.

Also, be sure to check that a policy actually covers your potential liability in a case, not just the legal costs.

4. Not a cure-all. You should not view liability insurance as a cure-all for a work situation in which fraudulent billing occurs. While liability insurance may protect you financially from some legal entanglements, it won't fix bad billing in your office.

-- Advice for You Be the Coder and Reader Questions provided by **David Gibson, OD, FAAO**, of Lubbock, Texas; Wayne Miller, attorney with Compliance Law Group in Woodland Hills, Calif.; and **Gary E. Matthews**, president of Physicians HealthCare Advisors LLC in Atlanta.