

Optometry Coding & Billing Alert

Reader Questions: Is 'Professional Courtesy' Really Illegal?

Question: The optometrists in my practice have asked me whether they can offer professional courtesy discounts and free preventive services to colleagues and family members. I've heard this practice is illegal but can't find any documented law. Am I incorrect?

Idaho Subscriber

Answer: "Professional courtesy" means that your physician provides free or discounted care to other physicians, their family members or their staff. This practice is legal, but there are many restrictions. The regulations implementing the Stark law, which governs doctors- financial relationships, have included a special exemption for professional courtesy for a few years.

One of the main restrictions is that you can't provide free or low-cost care to anyone who's enrolled in Medicare or other federal programs.

Plus: The Stark regulations also say that if you offer professional courtesy to one local doctor, you have to offer it to every doctor in your area, regardless of whether you do business with him. The free or low-cost services must be ones your practice performs frequently, and you should have a policy in writing.

Warning: Even if you follow all of these rules to the letter, if your courtesy can be construed to act as an incentive for another doctor to send patients to you, then you're still breaking the law. You also need to check your state's regulations.

Steep consequences: The HHS Office of Inspector General says you can only provide free care, not a price break, to other doctors. You can't bill a doctor's insurance and avoid collecting copayments or deductibles, or you could be defrauding the payer. These requirements could make professional courtesy very expensive indeed.