

Part B Insider (Multispecialty) Coding Alert

Compliance: Could Your Billing Service Be Putting You at A Compliance Risk?

This billing service overcharged Medicare by millions for physicians' charges.

You've hired a billing service to handle your claims processing, and now you can let them worry about correct coding, right? Not so fast. Your billing service could be doing you more harm than good, and you won't know unless you check in with them from time to time.

Last week, a California-based billing company agreed to pay the U.S. government \$4.6 million to settle allegations that it submitted false claims to Medicare and Medicaid on behalf of physicians, hospitals, and other healthcare providers, a Dept. of Justice news release notes. Over a seven-year period, the billing company allegedly inflated claims, billing higher levels of E/M services than the physicians actually documented. In addition, the company added charges for minor services to the E/M claims, and failed to comply with Medicare's teaching physician rules.

The takeaway: It's unclear from the news release whether the physicians whose claims were boosted knew about the billing company's issues with upcoding. However, if the medical practices did not know about the problems, they may not have been keeping a close enough eye on the billing company considering that the upcoding appears to have happened for several years.

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"Both the billing company and the physician group are putting themselves at a compliance risk if they're billing the wrong codes, so both sides should be collaborating," says **Barbara J. Cobuzzi, MBA, CPC, CENTC, CPCH, CPC-P, CPC-I, CHCC**, president of CRN Healthcare Solutions, a healthcare consulting firm in Tinton Falls, N.J. "It is incumbent upon the medical practice to ask for reports from the billing company that shows the E/M distribution, collection rates, and potentially bell curves. Best-practice billing companies should provide this information quarterly at the least, but ideally every month."

Keep in mind: Physicians are responsible for the codes that they report, whether or not a billing company submits the claims. "The physicians are liable for their billing company's miscoding," says **Michael F. Schaff, Esq.**, with Wilentz, Goldman and Spitzer in Woodbridge, N.J. "Typically when you enter into a contract with a billing company, you want to ask for indemnification from any of the billing company's mistakes and that the billing company has an error and omissions insurance policy, as well as sufficient assets to cover any financial obligations that they create," he advises.

To read the complete press release about the settlement, visit the DOJ Web site at www.justice.gov/opa/pr/2011/September/11-civ-1129.html