

## Part B Insider (Multispecialty) Coding Alert

### Physician Note: Difference Between 'Observation,' 'Inpatient,' and 'Outpatient' Became \$6 Million Question for Denver Hospital

**Plus: Keep PHI out of emails to your MAC.**

When your physician admits a patient to the hospital, your coding work isn't done -- you need to know whether the patient was admitted as an inpatient, admitted to observation care, or admitted to the ER (which qualifies as outpatient care). That differentiation cost a Denver hospital over \$6 million recently.

Based on a whistleblower lawsuit, the OIG investigated the admission practices of a Denver hospital, which was alleged to be inappropriately admitting patients as "inpatients" when the patients were actually in outpatient or observation status. As most coders know, inpatient reimbursement can typically be higher than outpatient or observation pay.

The hospital agreed to pay \$6.3 million to resolve the allegations of impropriety, which occurred between Jan. 1, 2006 and Dec. 31, 2009, according to a Jan. 5 Colorado Attorney General press release.

"It is crucially important for government health care plans to be efficient as possible," said U.S. Attorney **John Walsh** in the statement. "This case serves as a reminder that hospitals must scrutinize their billing practices to prevent overbilling. I want to thank the excellent work of agents with the Health and Human Services Office of the Inspector General and the Colorado Attorney General's Medicaid Fraud Control Unit for bringing this matter to a successful conclusion."

To read the complete release, visit

[www.coloradoattorneygeneral.gov/press/news/2012/01/05/denver\\_health\\_medical\\_center\\_pay\\_63\\_million\\_settle\\_allegations\\_relatng\\_overbi](http://www.coloradoattorneygeneral.gov/press/news/2012/01/05/denver_health_medical_center_pay_63_million_settle_allegations_relatng_overbi).