

## Part B Insider (Multispecialty) Coding Alert

### PHYSICIAN NOTES: EMRs Saved Practice Nearly \$1 Million In One Year

Wondering whether electronic medical records will save money for your practice? Now there's data that suggests they will.

Central Utah Medical Specialty Clinic, a 59 physician group with nine locations, implemented EMRs on April 1, 2002 and saved \$380,000 in the first year on transcription expenses alone, according to a new study in the Journal of Healthcare Information Management (Vol. 18, no. 1).

CUMC faced problems with chart maintenance, downcoding and transcription expenses. Before the EMRs, clinic staff pulled nearly 1,000 charts per day. After moving to EMRs, physicians were able to access charts easily from any clinic, and labor costs have also been reduced, write study authors and clinic officials **Scott Barlow, Jeffrey Johnson** and **Jamie Steck**.

The clinic scored revenue increases and spending reductions of more than \$952,000 in the first year, and projections show the clinic will reap an \$8.2 million reward over five years. Part of that is due to better documentation leading to higher coding levels -- the clinic billed 33 percent of its evaluation and management visits at [CPT 99214](#) before using EMRs, but post-EMRs, the clinic billed 44 percent of E/Ms as 99214.

1. **In its first advisory opinion (2004-06-01) on the 18 month moratorium** on physician referrals to specialty hospitals in which they have an ownership or investment interest, the HHS Office of Inspector General agrees with that a particular physician-owned specialty hospital was already "under development" as of November 18, 2003 and therefore not subject to the moratorium.  
  
The hospital had already filed an application for plan review with the state Department of Health on Sept. 10, 2003 and requested accelerated review. The hospital submitted detailed architectural and engineering plans on Nov. 13, and the DOH acknowledged it had received a "complete plan submittal" on Nov. 17, even though it hadn't gotten final construction documents.
2. **The Centers for Medicare & Medicaid Services reaffirmed that it won't cover** Sensory Nerve Conduction Threshold Tests to diagnose sensory neuropathies or radiculopathies are noncovered, in Change Request 3339, dated June 18.
3. **Don't use the billing number of the ordering physician** if that person didn't directly supervise the auxiliary personnel, CMS says. That includes cases where the physician bills electronically, CMS clarifies in Change Request 3242, dated June 18.
4. **Oregon osteopath Randall Smith pleaded guilty to submitting false claims** to the Medicaid-funded **Oregon Health Plan**. Investigators say Smith allegedly convinced a patient that sexual contact with him would alleviate her pelvic pain. Smith argues that during 2003, the "trigger point therapy" sessions became mutually voluntary. While the facts about the "treatment" remain unresolved, Smith reportedly did bill Medicaid for sessions where therapy did not occur as claimed. The doctor lost his clinical practice and voluntarily surrendered his medical license.