

Part B Insider (Multispecialty) Coding Alert

Physician Notes: Feds Demand \$1.9 Million To Cleanse Temple

Straying from the right PATH could cost millions

If your doctors claim they're treating patients personally in the hospital, you'd better have the documentation ready to prove it, or you could be millions of dollars poorer.

Temple University Physicians, the physician practice of **Temple University School of Medicine**, agreed to pay \$1.875 million to settle charges that TUP claimed its physicians provided services personally, without enough documentation to show that they really did. The feds examined 100 TUP patient files from 1995 and 1996 as part of the Physicians at Teaching Hospitals (PATH) initiative, and projected the results to all inpatient services during that period.

The feds also claimed TUP upcoded its claims or misrepresented the level of service the physician actually provided. TUP didn't admit any wrongdoing.

States would have saved \$54 million in 2001 if they'd applied Correct Coding Initiative edits to Medicaid physician claims, the **HHS Office of Inspector General** said. The OIG encouraged the **Centers for Medicare & Medicaid Services** to push Medicaid programs to adopt CCI Edits, and CMS agreed. Only seven states use the CCI edits, the OIG said in "Applying the National Correct Coding Initiative To Medicaid Services" (OEI-03-02-00790).

Food and Drug Administration approval of a device doesn't guarantee that Medicare will cover it, the **U.S. District Court for the Northern District of California** ruled in *Svidler v. Thompson* (N.D. Cal., No. C-03-3593). Physician **Inessa Svidler** used the Matrix ProElectDT to treat the chronic pain of several Medicare patients, but Medicare recouped \$144,791.11 after an audit.

The Part B carrier and an administrative law judge both argued that Svidler was using the device in an "experimental or investigational" manner. Even if the FDA has approved a device, Medicare won't cover it for experimental uses. The FDA had covered the Matrix device as "substantially equivalent" to a TENS unit. But Svidler was using the Matrix to create a nerve block, something a TENS unit can't do. The court ruled that the ALJ did the right thing in affirming the carrier's denials.

Physician-owned heart, orthopedic and surgical hospitals tend to treat a more profitable selection of patients than the average community hospital or peer hospital, according to data that the **Medicare Payment Advisory Commission** (MedPAC) released in its Oct. 29 meeting. MedPAC also said Medicare's hospital inpatient payment system may be creating financial incentives because payment rates for patients in low-severity diagnosis-related groups are more profitable than more critically ill patients.