

Part B Insider (Multispecialty) Coding Alert

Physician Notes: Focus on Medical Necessity to Avoid Upcoding Issues, DOJ Case Suggests

Hint: Your documentation dictates your coding.

Upcoding □ year after year, it remains one of the HHS Office of Inspector General's top targets. Due to unclear note taking and the occasional EHR error, it happens accidentally to almost everyone. But for the most part, the practice of choosing a higher-paying code is done willfully □ and in a recent North Carolina case, a healthcare organization had to pay \$6.5 million to rectify its upcoding situation.

The Department of Justice's (DOJ) qui tam case concerns a Charlotte-area organization, Carolina Healthcare System (CHS), which repeatedly billed urine drug tests under a higher-paying code from 2011 to 2015. The feds discovered that CHS was upcoding "by submitting claims using code G0431, which should be used only for tests classified as 'high complexity' by the FDA, instead of using code G0434," the DOJ release said. "As a result of CHS's upcoding practices, the government alleges that federal healthcare programs paid CHS, and certain facilities under contract with CHS, approximately \$80 more per test for the claims submitted with the higher paying code."

Result: The healthcare group agreed to shell out the \$6.5 million tab in order to "resolve the allegations" with the feds.

"When healthcare companies try to boost their profits by billing federal healthcare programs for more expensive services than they actually provided, the Office of Inspector General will ensure they are held accountable for their deceptive schemes," said Special Agent in Charge Derrick L. Jackson from the HHS-OIG Office of Investigations in the Atlanta Region.

Tip: Upcoding happens, but cases like these can be avoided with a comprehensive compliance plan. When a practice's compliance program is based on doing things right, it maintains its effectiveness over the long term.

Resource: To read the Department of Justice release, visit <https://www.justice.gov/usao-wdnc/pr/carolina-healthcare-system-agreems-pay-65-million-settle-false-claims-act-allegations>.