

Part B Insider (Multispecialty) Coding Alert

Physician Notes: Pathology Services Payments Could Face an Overhaul

Hospitals and laboratories will be negotiating a flurry of new contracts soon if the General Accounting Office gets its way.

In a recent report, the GAO calls on the Centers for Medicare & Medicaid Services to stop making direct payments to laboratories for technical pathology services outsourced by hospitals.

Instead, hospitals should foot the bill themselves and work out appropriate terms with laboratories that they outsource to.

Such a policy would have saved Medicare \$42 million in 2001, the GAO maintains - and saved beneficiaries \$2 million in copayments. The watchdog agency argues that ending direct payments wouldn't hurt hospitals or labs too badly because hospitals don't typically outsource that many services.

Provider groups, however, are worried about the proposal. Labs brood that hospitals will try to negotiate very low rates, while hospitals are concerned that rural facilities would be hurt by the change.

To see the report, go online to <http://www.gao.gov/new.items/d031056.pdf>.

1. CMS announced it would reconsider its previous national non-coverage decision on positron emission tomography for Alzheimer's disease/dementia. University of California at Los Angeles requested that CMS revisit this issue to consider covering PET to help distinguish Alzheimer's from other forms of dementia, or to assist early diagnosis of dementia. You have until Nov. 7 to comment.
2. Dr. Raymond Weitzman recently learned the hard way that you can't be in two places at once, and now will hand over \$571,451 to settle allegations that he improperly [billed Medicare](#) for the treatment of thousands of nursing-home patients. The improper billing spanned a six-year period, from January 1993 through April 1999, according to U.S. Attorney Jeffrey Collins.

In a single day, the West Bloomfield, Mich., physician allegedly billed Medicare for treating 103 nursing-home patients - although in fact he was aboard an airplane that took off at 10 that morning. Weitzman denies all the allegations, and agreed to settle for the sake of putting the matter behind him.

3. The feds collected a record-setting \$1.6 billion from providers, suppliers and others they suspected of ripping off the Medicare and Medicaid programs in fiscal year 2002 according to the 2002 Annual Report for HHS' Health Care Fraud and Abuse Control Program.

The report tallies the results of federal enforcement activities. In 2002, prosecutors filed 361 criminal indictments for healthcare fraud, 480 defendants were convicted for fraud-related crimes, 1,529 civil cases were pending, and HHS excluded a whopping 3,448 providers and suppliers from Medicare and Medicaid.

To see the report, go online to www.usdoj.gov/dag/pubdoc/hcfacreport2002.htm.