

## Part B Insider (Multispecialty) Coding Alert

### PHYSICIAN NOTES: Sloppy Billing Could Be Costing Your Practice More Than Money

#### Also, pay attention to details of bariatric surgery requirements

If your billing processes aren't up to scratch, you could wave goodbye to some of your best physicians--and no written agreement may be able to protect you.

Two cardiologists had signed non-compete agreements with **Ohio Valley Heartcare** (OVHC) in Evansville, IN. They agreed not to go to work for any other practices in large areas of Indiana, Illinois and Kentucky.

But the cardiologists complained in writing that OVHC's billing department wasn't coping with -certain accounts receivable.- In 2004 and 2005, OVHC failed to collect \$2 million worth of billings, some of which were over two years old. The practice's CEO, CFO and billing chief all quit, overhead costs rose to 83 percent of revenues, and physician pay dropped sharply. OVHC's accountant said the practice was insolvent.

So both doctors quit the practice, which tried to enforce the non-compete agreement against them. The trial court ruled in favor of OVHC, but in April the Court of Appeals for Indiana reversed this decision. The doctors- employment agreements required OVHC to provide decent billing and collection services, so OVHC had already broken the employment agreements before the doctors left, the court ruled. (82A05-0603-CV-159)

#### In other news:

- Only about 2,200 physicians have joined the Competitive Acquisition Project (CAP) for Part B drugs, according to testimony at the April meeting of the **Medicare Payments Advisory Commission** (MedPAC). That number represents a huge increase from the 300 doctors who originally signed up for the CAP (mostly ophthalmologists and allergists). But it's still just a fraction of the number who provide Part B drugs in their offices, MedPAC noted.

- Some carriers weren't applying Medicare's revised policy for bariatric surgery properly, according to Transmittal 1233. The transmittal clarifies that Medicare won't cover vertical-banded gastroplasty, sleeve gastrectomy or open adjustable gastric banding.

- The **House Energy & Commerce Health Subcommittee** held an April 18 hearing on improving Medicare quality and efficiency. Acting CMS administrator **Leslie Norwalk** testified about physician quality reporting and other initiatives to improve payment efficiency. MedPAC Chairman **Mark Miller** said Medicare may be paying too much for some physician procedures.

- Medicare overspent \$718 million for the 47 percent of mental-health services that didn't meet coverage requirements in 2003, according to a report from the **HHS Office of Inspector General** (OEI-09-04-0220). Problems included poor documentation, medically unnecessary services and services that didn't meet -incident-to- requirements.