

Eli's Rehab Report

Compliance: The Slightest Mistake Could Land You a False-Claims Label

Physiotherapy speaks up about \$16.6 million settlement

If you haven't conducted an internal audit in a while, you may want to do so soon. Rehab organizations with the best of intentions can land in hot water when documentation practices get sloppy -- and the result can be a national news headline with your business's name and the eyebrow-raising words "false claims" side-by-side.

That's what happened to rehab powerhouse Physiotherapy Associates Inc. in mid-November. Now sporting 700+ rehab clinics nationwide since its merger with Benchmark Medical last summer, Physiotherapy is wrapping up some old business with its former owner, Stryker Corp., in the form of a \$16.6 million check to the U.S. government.

Details: The settlement resolves allegations that Physiotherapy submitted claims to Medicare, state Medicaid programs and the Department of Defense's TRICARE program that were falsely billed as one-on-one services and that Physiotherapy improperly retained excess or duplicate payments it received from these federal healthcare programs, according to a Nov. 14 press release from the U.S. Department of Justice.

Under the terms of the settlement, Physiotherapy also agreed to enter into a corporate integrity agreement with the HHS Office of Inspector General, DOJ said.

"All of this stemmed from some allegations that were made with respect to some isolated clinics back in 2003," **Rick Binstein**, general counsel for Physiotherapy Associates Inc., tells Eli, emphasizing that billing improprieties were not a widespread problem for the company.

After an investigation following whistleblowers' reports, "the government did find some technical billing errors in isolated situations," Binstein openly admits. "There was some sloppiness with documentation -- which is something that can happen in our industry. But the government didn't find any fraud, criminal intent or systemic problems."

Making amends: Physiotherapy has improved its billing snafus since 2003 and has implemented more preventive measures too, Binstein says. "Physiotherapy has now had three and a half years to look at itself and to focus energy and resources to revamp its entire compliance function. And we're proud of our state-of-the-art compliance function today, both from a training perspective to an internal-audit perspective.

Lesson learned: The words "false claims" sound terrible -- especially on a national headline, and it doesn't take a lot to get stamped with them. "Anytime you submit a Medicare claim to the government and there's anything about that claim that is insufficient, the government can consider it a false claim."

That said, if you haven't looked at your internal auditing system or your compliance procedures in a while, it might be a good idea to do so.