

Health Information Compliance Alert

Industry Notes

False Claims Conviction Also Leads to HIPAA Charges

If a new **Department of Justice** conviction is any indication of what the future holds, fraudsters could be adding years to their prison sentences by misusing protected health information in their schemes.

On Aug. 15, the DOJ announced its latest triumph, involving the conviction of a New York medical supply company owner who illegally collected \$10.7 million by using stolen Medicare information to submit fraudulent claims to the program. But unlike previous convictions of a similar nature, the DOJ added on a HIPAA indictment due to her violation of the HIPAA laws since she wrongfully disclosed patient information as part of her scheme.

"The defendant showed no regard for patients' privacy rights when she stole their personal identity information to file false medical claims," said FBI Assistant Director-in-Charge **Janice K. Fedarczyk** in a statement. "She padded her own pockets at the expense of the Medicare kitty. The verdict today should serve as a warning to those who disregard privacy laws to defraud publicly funded programs meant to help our seniors."

To read more about the case, visit www.justice.gov/usao/nye/pr/2012/2012aug15.html.

Get Your Docs' NPIs On The Claim By January

You'd better make sure you have your NPI ducks in a row or face billing delays. In less than four months, you'll no longer be able to put your own NPI in the Attending Provider NPI field. So say a recent transmittal and MLN Matters article from the **Centers for Medicare & Medicaid Services**.

"Effective for claims received on or after January 1, 2013, you must submit the National Provider Identifier (NPI) of the attending provider in the Attending Provider Name and Identifiers Field (FL76) of your claims. That NPI must not be your billing NPI," CMS says in the MLN Matters article.

CMS previously had allowed providers to use their own NPI numbers in the field when they had trouble getting the numbers from referring physicians.

Exception: You can use your own NPI when the claim is for "institutional billing of influenza and pneumococcal vaccinations and their administrations when these are the only billed services on the claim," CMS explains.

Hospitals May Be Asking for Your Doctors' NPIs Soon

New CPT® codes won't be the only change you'll face on Jan. 1, 2013 -- CMS has more in store for physicians that see patients in the inpatient setting.

On Aug. 17, CMS released MLN Matters article MM7902, which notes that as of Jan. 1, hospitals "must submit the NPI of the attending provider in the Attending Provider Name and Identifiers field" of all claims. "Institutional providers are required to indicate the Attending Provider Name and Identifiers for the patient's medical care and treatment reported on institutional claims for any services other than non-scheduled transportation claims."

In addition, hospitals submitting outpatient claims must send the "referring provider" NPI and name when the referring doctor is different from the attending, the article notes.

What this means: Hospitals where your physicians often refer and attend to patients will be contacting you in the coming months to confirm all physician NPI information in preparation for the new regulations.

To read the article, visit

www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7902.pdf.

Watch For PECOS Edit Deadline

The PECOS edit deadline continues to hang over providers' heads. Many providers are already using docs' NPIs appropriately, so problems caused by these new edits should be limited, hopes billing expert **M. Aaron Little** with **BKD** in Springfield, Mo. Agencies with referrals from Veterans Administration docs may have the most trouble.

Providers served by billing company **Astrid Medical Services** already do this, says owner **Lynn Olson**. "We verify the NPI with the physician's. If the name refers to a clinic or provider we return it to the provider for update," Olson explains. "Claims in the past have been rejected if they are for a group practice/clinic, that's why we upgraded our edits."

Bigger problem looms: CMS has yet to set a date for its so-called PECOS edits, in which it will check the doc's NPI against the PECOS database for a valid record. CMS issued a final rule earlier this year confirming the edits and has been issuing messages reminding providers about the requirement.

When those edits hit, home care providers will see claims denied when the referring physician isn't enrolled in PECOS. That could cause a cash flow crisis if the physician, who is unaffected by the denials, doesn't get into the PECOS system quickly. CMS says it will give providers at least 60 days notice before turning on PECOS edits.

Note: The MLN Matters article is at

www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7902.pdf and the transmittal is at www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2519CP.pdf.