

Health Information Compliance Alert

Industry Notes: HIPAA Penalties In Play

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

Example #1: Last month prosecutors secured the conviction of **Helene Michel**, owner of **Medical Solutions Management Inc.** in Hicksville, N.Y., who illegally collected \$10.7 million by using stolen nursing home patients' Medicare information to submit fraudulent claims. 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," says **FBI** Assistant Director-in-Charge **Janice K. Fedarcyk** in a release. "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."

Example #2: In addition to fraud, a Virginia Medicaid home care provider pled guilty to identity theft, the DOJ says in a release. **Janice Holland** of **A Caring Hand Home Health Care Services Inc.** in Suffolk filed claims representing that A Caring Hand had furnished respite care to 30 Medicaid recipients, when no such care had been provided. Holland used benes' names, dates of birth and Medicaid identification numbers without authorization.

"Holland will receive a mandatory term of two years in prison for aggravated identity theft that will run consecutively to the term imposed by the Court on the other charges," the DOJ notes.

CMS To Turn On PECOS Edits 'Soon,' Agency Says

You're in a race against the clock to make sure that you and your referral sources are enrolled in PECOS before CMS turns on edits that will reject claims for the problem. You just don't quite know when time will run out yet.

But smart providers won't wait to find out. "Soon CMS will turn on the automated edits that will deny claims which do not meet these requirements," CMS says of ordering/referring physician PECOS enrollment.

Good news: Before the PECOS edits are turned on, CMS will give providers at least 60 days' notice, CMS's **Alisha Banks** said during an Oct. 10 National Provider Call.

Update Your Software

Having trouble getting your claims to go through since Oct. 1? You might want to make sure your software is up to date.

New 5010 claims edits "require that the Subscriber Group Number (SBR03/2000B) and Subscriber Group Name (SBR04/2000B) elements be empty," notes **Home Health & Hospice Medicare Administrative Contractor CGS** on its website. If you failed to implement the necessary related software changes in PC-ACE Pro32, the system is rejecting your claims, the MAC explains.

The new version of PC-ACE Pro32 is available for download on your MAC's website, notes MAC National Government Services in a message to providers.

Quality Measures to Figure in Contract Negotiations

Manage your hospital patients better -- it will prove profitable. A greater focus on quality is likelier when insurers

negotiate with hospitals on care measures. **Blue Cross Blue Shield** (BCBS) of Rhode Island is offering incentives to promote a better coordination of care.

Case in point: Blue Cross Blue Shield (BCBS) of Rhode Island and **Care New England**, a major hospital group in the state, reached a five-year plan that includes BCBS paying the hospital additional amounts based on quality measures. The two entities are reworking their contract to focus more on comprehensive, quality-focused reimbursements.

"We want to create incentives to better coordinate care and management of these patients, rather than keep them in silos," **Peter Andruszkiewicz**, president and CEO of Blue Cross, explained in a statement.

The new contract, which Andruszkiewicz says will likely be effective by the end of September, will define specific metrics based on quality-related programs, including creation of a more patient-centered model for both maternity care and behavioral health, according to Providence Business News.

Watch Out For New Claims Requirement

You'd better be sure your beneficiaries' names and HICN numbers match what's in the Common Working File, or risk slowed cash flow. Starting Oct. 1, MACs are returning claims that don't have bene names and HICNs that match the CWF, **Palmetto GBA** cautions on its website.

"Providers should assure they report the beneficiary's name and Medicare HICN exactly as they appear on their Medicare card and in CWF," Palmetto advises. "Do not place hyphens or blanks in the HICN field."

Tip: "If the Medicare card and/or CWF displays the beneficiary name with a suffix (e.g. Jr., Sr., II, III, etc.), report the name exactly as shown," Palmetto instructs. "If the claims are filed electronically, providers should ensure the Electronic Data Interchange (EDI) loop for the suffix field is populated and that the suffix is not added to the beneficiary's last name."

Before you call your MAC, "compare the information billed on the claim with the information listed on the beneficiary's Medicare card and in the CWF and resubmit the claim after making the appropriate corrections," if applicable, Palmetto GBA counsels.

The transmittal from April detailing the change is online at www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2449CP.pdf.

Home Health Quality Initiative

You can obtain more free help with your quality improvement efforts from the **Home Health Quality Initiative**, which kicked off its newest phase last month.

For five years, the HHQI campaign run by CMS contractors **WVMI & Quality Insights** has offered free tools, education, data, and other resources on QI to home health agencies. The Best Practice Intervention Packages on deck for coming months address topics ranging from falls prevention to medication management.

Tip: Many of the best practices can be used in any setting, the **National Association for Home Care & Hospice** points out. You can put your logo on the non-copyrighted material and use them as tools for your referral sources.

More information and access to the tools, educational materials, and more are on the newly revamped website at www.homehealthquality.org. Access is free but requires registration. The campaign currently has nearly 9,000 participants from more than 5,000 agencies, the website says.