Are You at Risk?

POLICY AND PROCEDURE CHECKLIST FOR OIG VULNERABILITY

By Ken Goodin, CHBME

In response to member requests, HBMA is making available a checklist of suggested policies and procedures to address known risk areas as identified by the Health & Human Services Office of Inspector General. This list will be published in the Information Exchange area of the HBMA Web site.

While this checklist contains suggested areas for core policies and procedures for billing companies, it does not represent a complete model that will exactly fit all sizes and specialties. Each company must take the scope and nature of its business into account in formulating its own policies and procedures, and should take care that all relevant risk areas and regulatory requirements are covered.

HBMA does not warrant the completeness or accuracy of this listing, or make any representation as to its sufficiency or applicability to a particular company.

BILLING COMPANY RISK AREAS IN POLICIES AND PROCEDURES

Among the risk areas the OIG has identified as particularly problematic are:

- ✘ Billing for items or services not actually documented
- ✘ Unbundling
- ✘ Upcoding, such as "DRG creep "
- ✘ Inappropriate balance billing
- ✘ Inadequate resolution of overpayments
- ✘ Lack of integrity in computer systems
- ✘ Computer software programs that encourage billing personnel to enter data in fields indicating services were rendered though not actually performed or documented
- ✘ Failure to maintain the confidentiality of information/records
- ✘ Knowing misuse of provider identification numbers, which results in improper billing
- ✘ Outpatient services rendered in connection with inpatient stays
- ✘ Duplicate billing in an attempt to gain duplicate payment
- ✘ Billing for discharge in lieu of transfer
- ✘ Failure to properly use modifiers
- ✘ Billing company incentives that violate the anti-kickback statute or other similar Federal or State statute or regulation
- ✘ Joint ventures
- ✘ Routine waiver of co-payments and billing third-party insurance only
- ✘ Discounts and professional courtesy

Among the risk areas that billing companies who provide coding services should address are:

- ✓ Internal coding practices
- ✓ "Assumption" coding
- ✓ Alteration of documentation
- ✓ Coding without proper documentation of all physician and other professional services
- ✓ Billing for services provided by unqualified or unlicensed clinical personnel
- ✓ Availability of all necessary documentation at the time of coding
- ✓ Employment of sanctioned individuals.

POLICIES AND PROCEDURES

With respect to claims, a billing company's written policies and procedures should reflect and reinforce current federal and state statutes. The policies must create a mechanism for the billing or reimbursement staff to communicate effectively and accurately with the health care provider. Policies and procedures should:

- ★ Ensure that proper and timely documentation of all physician and other professional services is obtained prior to billing to ensure that only accurate and properly documented services are billed
- ★ Emphasize that claims should be submitted only when appropriate documentation supports the claims and only when such documentation is maintained, appropriately organized in legible form, and available for audit and review. The documentation, which may include patient records, should record the time spent conducting the activity leading to the record entry and the identity of the individual providing the service
- ★ Indicate that the diagnosis and procedures reported on the reimbursement claim should be based on the medical record and other documentation and that the documentation necessary for accurate code assignment should be available to coding staff at the time of coding. The Health Care Financing Administration Common Procedure Coding System (HCPCS), International

Classification of Disease (ICD), Current Procedural Terminology (CPT), and any other applicable code or revenue code (or successor code(s)) used by the coding staff should accurately describe the service that was ordered by the physician

★ Provide that the compensation for billing department coders and billing consultants should not include any financial incentive to improperly upcode claims

★ Establish and maintain a process for pre- and post-submission review of claims to ensure claims submitted for reimbursement accurately represent services provided, are supported by sufficient documentation, and are in conformity with any applicable coverage criteria for reimbursement and

★ Obtain clarification from the provider when documentation is confusing or lacking adequate justification ■

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CHECK LIST OF POLICIES AND PROCEDURES FOR KNOWN RISK AREAS

An effective compliance program should include written policies and procedures that address known risk areas. Following is a list of the types of policies and procedures which might address those risk areas depending on the organization. This list should not be considered all-inclusive. (S*ource: OIG Compliance Program Guidance for Third Party Medical Billing Companies)*

- Accounts Receivable Policies and Procedures
- Advance Beneficiary Notices
- Advertising/Marketing
- Balance Billing Policies
- Billing Policies and Procedures
- Fee Schedule/Superbill Policies
- Coding Policies and Procedures
- Collections Policies and Procedures
- Confidential Disclosure Program
- Confidentiality Policies
- Conflicts of Interest
- Gifts/Gratuities
- Credit Balance Policies and Procedures
- Data Entry Policies and Procedures
- Discipline Policies
- Discount Policies
  - » Small Balance Write Offs
  - » Waiver of Co-Pay/Deductible
  - » Professional Courtesy
- Employment Policies and Procedures
  - » Exclusion/Debarment Checks
- EMTALA
- Information Systems Policies and Procedures
- Local Medical Review Policies (LMRP)
- Medical Record Documentation Policies and Procedures
- Medical Record Policies and Procedures
- Medically Reasonable and Necessary Services
  - » Certificates of Medical Necessity
  - » Medical Necessity
- Medicare Collection Requirements
- Medicare Secondary Payer Policies
- Mid-Level Practitioners
  - » "Incident To" Rules
- Patient Account Policies and Procedures
- Payer Notification of Errors
- Periodic Claims Review
- Physicians At Teaching Hospitals (PATH)
  - » Teaching Physician Documentation Requirements
  - » Billing Requirements
  - » Residents/Students
- Provider Enrollment and Provider Number Usage
  - » Par/Non-Par Provider Billing Policies
  - » Providers Who Opt Out
- Quality Assurance
- Record Retention Policies
  - » Medical Records
  - » Compliance Records
  - » H/R Records
  - » Accounting Records
  - » Other Business Records
- Rejected Claims Review
- Responding to Search Warrants/Subpoenas
- Responding to Violations
- Sanctioned Individuals and Entities
- Signature Stamps
- Stark
  - » Inducements
  - » Kickbacks
  - » Self Referrals
- Third Party Liability Payer Policies
- Training & Education
  - » Coding
  - » Billing
  - » Compliance
- Unclaimed Payments/Escheat Policies and Procedures