

## Question of the Month

**Q** What steps do I take if a Medicare (or other government agency) representative shows up unannounced at the door to perform an audit of my billing company? I'm very new in the business, but I hear that happens quite often and would like to be prepared.

**A** A Medicare auditor would be much more likely to show up to audit a CLIENT, not your company. While there is some basis for an audit of a billing company, the providers are the ones who get paid, so they are the most likely "target."

1. Get and verify the individual's ID (call their office) and get some business cards (see below).
2. Notify your client BEFORE you allow anything to happen. Billing companies are the custodian of provider's records, not the owner. If necessary, check with your client's attorney and/or allow the clients time to do so. Depending on the reason(s) for the audit, you might want to advise your attorney, as well. The extra business cards are for the client and the attorneys.
3. Keep a journal of all discussions.
4. Keep a log and/or copies of all records examined, including source documents, computer inquiries, etc.
5. Keep a list of all employees the auditor met, talked to, etc. Do not allow the auditor unsupervised access to the rest of your office. Try to provide the auditor with a work space that is separated from your staff. Avoid casual conversations overheard or initiated ("How do you handle xxx?" or "Do you ever write off credit balances?").
6. Cooperate with all reasonable requests. You do not have to tolerate belligerence, rudeness, or unreasonable demands. ("I want everything for the last 5 years by tomorrow morning.")
7. Try to keep track of how much the audit is costing you (employee time, copies, custom programs, software vendor support, etc.) so you can either bill your client (you did remember to put this in your contract, right?), or at least, "get credit" for the

costs you have incurred.

8. Remember that "auditable" medical records are NOT in your office. The original records are the only ones that count and they are either in the practice's office or in the hospital's Medical Records Department.
9. Generally speaking, you are not obliged to accommodate an unannounced audit "on the spot," unless it is supported by a court-ordered subpoena or search warrant, although you are free to do so. When in doubt, check with your lawyer first, unless guns *and* badges are involved. If the auditor's timing is not convenient, indicate your willingness to arrange for a more convenient time and that you will even have the records ready.
10. NEVER admit anything ("Interesting question. I'll have to investigate that further and get back to you in a day or so.") unless, of course, you are admitting that you handled the matter correctly (be sure you know what "correct" is). It is safest to imagine that every auditor is "wired," even though that seems paranoid. One of the OIG's investigative techniques is to pose as a "routine" auditor.

That's my 10. Who has 10 more? ◆

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