

SUBJECT: FRAUD AND ABUSE COMPLIANCE	REFERENCE #5004
DEPARTMENT: HOSPITALWIDE	PAGE: 1
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APPROVED BY:	EFFECTIVE:
	REVISED:

**POLICY:**

- It is the policy of \_\_\_\_\_ MEDICAL PRACTICE to consistently and fully comply with all laws and regulations pertaining to the delivery of and billing for services, which apply to the \_\_\_\_\_ MEDICAL PRACTICE on account of its participation in Medicare, Medicaid and other government programs.
- This policy is intended to reflect the requirements of Comment 3. (k)(1), 3. (k)(2) and 3. (k) (5) of Section 8.A1 of the Federal Sentencing Guidelines.

**INTRODUCTION:**

\_\_\_\_\_ MEDICAL PRACTICE has developed a fraud and abuse compliance program to be a comprehensive statement of the responsibilities and obligations of all employees regarding the provisions and financing of services, and marketing and enrollment for reimbursement to Medicare, Medicaid and other government payers for services rendered by the \_\_\_\_\_ MEDICAL PRACTICE and any of its subsidiaries, divisions and contractors in a managed care setting. In addition, this policy is intended to apply to business arrangements with any contractors or subcontractors, including: physicians, vendors, hospitals and other individuals that may be impacted by federal or state laws relating to fraud and abuse.

**COMPLIANCE STANDARDS/MANUALS:**

- Compliance standards specific to \_\_\_\_\_ MEDICAL PRACTICE shall be developed and kept current with applicable laws and regulations.
- It shall define and assign responsibility for the timely and comprehensive updating of both the compliance standards and the compliance manual, necessary training and education, record keeping and the completion of audit work plans as designated by the Compliance Coordinator.
- The compliance manual shall be a resource for the practice’s employees, designed to enhance the ability of employees to perform their responsibilities in compliance with the \_\_\_\_\_ MEDICAL PRACTICE compliance policy and applicable laws and regulations. The designated manager is responsible for ensuring that the compliance standards and manuals as required by this program or as designated by the Compliance Coordinator are developed and maintained in accordance with this policy.

## BENEFITS OF A COMPLIANCE PROGRAM

- The decision to develop and implement a compliance program is an important business decision as any other. There are considerations for the cost to train and maintain staff competency as well as possible legal ramifications if fraud and abuse is detected through this process. Although HCFA's Office of Inspector General is strongly encouraging development and implementation of a compliance program, there is nothing in the statutes that require you to do so. However, the process can actually help improve your practice's performance by learning basic principles in quality improvement, which can help improve your practice's bottom line.
- Most practices try to stay within the guidelines and bill what is medically necessary and covered by different insurance programs. The benefits of a compliance program can contribute positively to the bottom line of a practice in a number of different ways, including:
  - Improve the quality of patient care.
  - Serve as a resource for information about compliance related issues.
  - Prevent and/or identify improper conduct and have a system in place for evaluating problems and correcting them.
  - Provide an accurate way for employees and contracted services to behave towards fraud and abuse, and to have a way for employees to report potential problems.
  - Demonstrate to the staff and community that the practice has a commitment to honesty and appropriate practice conduct.
  - Through early recognition and reporting, minimize the loss associated with false claims and therefore, decrease the physicians' exposure to civil penalties, sanctions and other administrative actions, such as exclusion.
- In February 1998, the OIG developed and released compliance program guidance for hospitals . It strongly urged hospitals to implement as soon as possible. The October 5, 2000 Federal Registry released from the OIG's recommendations for a compliance program for small medical offices and physicians' practices.

Note: *Compliance Programs are not legally required, but it's highly encouraged.*

- Considering the amount of press that this subject is getting, compliance programs are not legally required. There is currently no federal statute or regulation that requires a practice to have one in place. The exception to this is those practices that have been ordered to implement one as a result of some legal action or as a penalty. As a result, the decision to have a voluntary compliance program is entirely at the discretion of the principals of the practice.
  - This is especially significant to those small practices that may not have the resources to develop and implement such a program. The cost to have an individual whose sole role is to act as the compliance officer may be a part of doing business for a large corporation, but cannot be justified in a one-physician practice. However, by using the available resources, the physician-executive can learn the details of developing a compliance program and implement those functions that are crucial or relevant to his or her practice.

## EDUCATION

- With education being a crucial part of a compliance program, a curriculum can be suggested to address the different facets of practice operation. Within this curriculum, you can either take advantage of internal or external resources.
- Topics may include:
  - Continuous Quality Improvement
  - Medical Record Keeping
  - CPT Coding
  - Coding
  - Internal Auditing Practices
  - Use of Modifiers
  - Evaluation and Management Guidelines
  - Legal Issues with Medical Practices
  - HCFA OIG Policies and Procedures
- In the event that potential issues should arise as part of your compliance program, education will be a crucial tool to modify the behavior of the entire organization. This is especially true for the physicians, who for the most part have delegated billing functions to the staff, but rarely take ownership of the processes. Coding errors usually originate from the providers, yet it is extremely interesting to see how often, at billing and coding seminars, the only individuals that attend from an office would be the business or billing manager. They are expected to take the information down and return to the office to educate everyone on the policies.
- Education will require a plan or curriculum over a period of time to be able to effect the outcome. Our suggestion is develop an educational program over the course of the year, using both internal meetings, as well as outside programs that are put on by professional associations, the carriers or private firms. To have the quickest and largest impact on the practice, you might want to start with common issues that come up on a regular basis, for example, claims that has denial of services due to improper CPT coding.