

Billing Education Article By Dr. Rhonda Church

VARIED BILLING ERRORS COSTLY AUDIT OUTCOME

MARCH 2012

A Nova Scotia family physician, Dr. Q, was identified for audit after a review of her annual profile showed a higher than average number of office visits and geriatric office visits per 100 patients compared to practitioners with similar practice demographics and earnings.

Approximately 100 office visits and 100 geriatric office visits billed by Dr. Q over a two- year period were reviewed. Billing errors were found in 31 of the office visits and 22 of the geriatric office visits. According to the MSI Physician's Manual Preamble rules, the billing errors included:

- **Prescription refills without documenting an assessment of the patient:** Specifically, Dr. Q's chart entries sometimes consisted of only the name of a drug and the diagnosis; no history or clinical findings were recorded. Billing for prescription refills without an assessment of the patient is disallowed under Preamble rules.
- **A visit for encounters in which the purpose of the visit was to provide an injection only:** Preamble rules stipulate that in these circumstances only the injection may be claimed. A tray fee may additionally be claimed if a provincial immunization is administered. Tray fees may not be claimed for other injections such as B12 shots.
- **A visit when the sole purpose of the visit was provision of a procedure:** Specifically, Dr. Q had been billing a visit in circumstances in which she saw a patient only for cryotherapy of plantar warts. As with injections, a visit may not be claimed in circumstances in which the sole purpose of the visit is to provide a procedure. Such visits should be billed using the procedural code only.
- **A visit for ear wax syringing:** This is uninsured except in the case of a febrile child.
- **A visit for annual checkups of well children and adolescents after the age of 18 months:** This is an uninsured service in Nova Scotia.
- **A visit in instances in which the purpose of the visit was to complete a third-party form:** Under the Preamble rules, physicians can only bill MSI when a significant unrelated health matter is found during a visit conducted for a third-party request. If that health matter is encompassed within the third-party request, MSI can't be billed. Dr. Q filled out a number of work absence slips and short-term disability forms for individuals with mental health and chronic pain issues and had additionally billed MSI for a visit related to these problems.

As more than five per cent of claims were incorrectly billed for both audits (office visits and geriatric office visits) MSI initiated a recovery based upon 31 per cent of all office visits and 22 per cent of all geriatric office visits billed by Dr. Q over a two-year period. The calculated recovery was approximately \$12,000.

Dr. Q disagreed with MSI's findings, saying the responsibility for submitting claims lay with a billing clerk who had been in her position since before Dr. Q had begun practice. She said she was too busy attending to patients to read the Preamble and MSI Physician's Bulletins. MSI didn't accept her explanation as Preamble rules clearly stipulate that responsibility for submitted claims lies with the physician. The monies were recovered.

Dr. Q's case is a common scenario and is a reminder to physicians of how costly seemingly small billing errors may be in the event of an audit. Physicians are reminded that it's their responsibility to know the contents of the Preamble, the billing rules, and what health service code is being submitted on their behalf for every claim.

(Names and identifying details in this common audit scenario have been changed and details discussed are composite based on a number of audit cases.)

**Rhonda Church, MD,
Medical Consultant, MSI Programs, Medavie Blue Cross**

MEDAVIE BLUE CROSS/MSI Medavie Blue Cross is the private company currently contracted by the Department of Health and Wellness (DHW) to administer the Medical Services Insurance (MSI) program for the government. The responsibilities of Medavie/MSI include Implementing and managing the physician fee schedule, issuing fee-for-service and contract payments to physicians, and conducting compliance reviews (audits) to ensure the negotiated billing rules are followed. It's not the role of Medavie/MSI to approve fees, change payment rates or set policy. Medavie/MSI acts only as directed by the DHW.