

Investigative Practices

Where do Boards Draw the Line?

Issues from a Fraud Perspective

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What are the underlying issues?

- **Aspects include**
 - Administrative
 - Civil
 - Criminal
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Underlying fraud issues

■ The Laws & Rules

- Lack of sophistication regarding requirements by boards and third party payors

Hot Q:

Should license retention depend on passing a knowledge test on health care fraud / abuse and compliance?

Underlying fraud issues

■ The Facilitators

- Unscrupulous individuals and/or organizations take advantage of unsophisticated providers

Hot Q:

Should licensees be required to advise their boards who they are working with, what's being taught?

Underlying fraud issues

■ The Licensee

- People have varying backgrounds & motives
 - The 10-80-10 Rule of Human Conduct
 - 10 – Top 10%, would never engage in illegal conduct
 - 80 – Median 80% - chance takers, follow the pack
 - 10 – Bottom 10% - deviant citizens / would be crooks regardless of the profession
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Underlying fraud issues

- The Licensee – (continued)
 - Do most of your complaints involve the bottom 10%?
 - YES means you're doing well attacking fraud, efforts can now concentrate on "bad actors"
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Underlying fraud issues

■ The Schemes

- Advanced purpose
 - Reckless disregard
 - Deliberate ignorance
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Underlying fraud issues

■ The Schemes – COMMON:

■ General improper coding

- Codes reported that are covered but not accurate or rendered

■ Upcoding

- Comprehensive exams, exams not supported by key components
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Underlying fraud issues

■ The Schemes – COMMON:

■ Unbundling

- 98940-42 & 97140, daily exams and CMT

■ Re-billing schemes

- Post payment review to bill for services not previously billed

■ Mobile labs

- Professional/technical split, corporate practice medicine
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Underlying fraud issues

■ The Schemes – COMMON:

- Medically unnecessary services
 - Services not part of documented care plan
 - Misrepresenting nature of services as 97032
 - Aqua bed billed as massage
 - Compression as 97530, 97014
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Underlying fraud issues

■ The Schemes – COMMON:

- Misrepresenting service provider
 - Therapeutic procedures by unlicensed staff
 - MD/DC practices
 - Created to circumvent payor limitations/restrictions paying DC services
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Underlying fraud issues

■ The Schemes

and the list goes on,
and on,
and on...

Conclusion

- The lion's share of exposure to allegations of fraud results from improper billing practices
 - How knowledgeable are your licensees on correct coding principles?
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