

Private Health Plans Prepare to Make Payment Data Accessible to Public: On the heels of Medicare release its payment data, a new initiative by three of the country's largest health plans has the potential to transform the accessibility of claims payment data, according to healthcare finance experts. UnitedHealthcare, Aetna and Humana announced a partnership on Wednesday with the Health Care Cost Institute (“HCCI”), a not-for-profit group, to create a payment database that will be available to the public for free. Experts say cost transparency is being spurred by a number of developments in the healthcare sector. The trend towards high-deductible plans is giving consumers a greater incentive to understand how much healthcare costs and to utilize it more efficiently. In addition, the launch of the exchanges under the Patient Protection and Affordable Care Act has brought unprecedented attention to the difficulties faced by individuals in shopping for insurance coverage.

New Proposed Rule Seeks to Revise the Office of Inspector General’s (“OIG”) Exclusion Authorities: The proposed changes to the exclusion regulations at 42 CFR part 1001 to codify authorities under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (“MMA”) and Affordable Care Act (“ACA”) and make technical changes to existing regulations. Specifically, section 949 of MMA and section 6402(k) of ACA amended section 1128(c)(3)(B) of the Act to expand OIG’s waiver authorities. Also, ACA provided that exclusion may be imposed for (a) Conviction of an offense in connection with obstruction of an audit; (b) Failure to supply payment information; and (c) Making, or causing to be made, any false statement, omission, or misrepresentation of a material fact in applications to participate as a provider of services or supplier under a Federal health care program. ACA also established a new authority at section 1128(f)(4) of the Act for OIG to issue testimonial subpoenas in investigations of exclusion cases under section 1128 of the Act. In addition to the changes under the ACA, and pursuant to section 1128(g)(1) of the Act, another proposed change is the modification to the reinstatement rules for individuals excluded as a result of losing their licenses to allow them to rejoin the programs earlier when appropriate.

Morristown Medical Center incorrectly billed Medicare inpatient claims with Kwashiorkor, resulting in overpayments of \$375,000: Kwashiorkor is a form of severe protein malnutrition. Medicare paid hospitals \$711 million for claims that included a diagnosis code for Kwashiorkor in 2010 and 2011 and is now conducting a series of reviews of hospitals with claims that include this diagnosis code. Morristown Medical Center (“MMC”) did not comply with Medicare requirements for billing Kwashiorkor on 197 of the 198 claims that we reviewed. MMC used diagnosis code 260 for Kwashiorkor but should have used codes for other forms of malnutrition. The remaining claim had a physician’s diagnosis of Kwashiorkor and therefore was billed correctly. For 149 of the incorrectly billed inpatient claims, correcting the diagnosis code resulted in no change in the DRG payment. However, for the remaining 48 inpatient claims, the errors resulted in overpayments of \$374,603. Hospital officials attributed these errors to a lack of clarity in the coding guidelines and issues with the medical coding software program used to code the diagnoses. For a link to the DHHS OIG report on this case see <http://ow.ly/wSphe>.

For more information on the above items, contact Kern Augustine Conroy & Schoppmann, P.C. at 1-800-445-0954 or via email at info@DrLaw.com.



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