

OIG Issues Fraud Alert Concerning Physician Contracts that Violate the Anti-Kickback Statute: The Department of Health and Human Services' Office of Inspector General recently issued a fraud alert on the heels of a dozen recent settlements involving physician contracts. The alert likely indicates that the OIG is increasingly pursuing allegations against individual doctors, not just hospitals and ACOs. The alert warns doctors entering into payment arrangements, such as medical directorships, that their compensation must reflect fair market value for services provided. It is common for doctors to be employed by hospitals and other organizations as medical directors, but those arrangements might violate the anti-kickback law when their purpose is to get more referrals from those doctors, according to the alert. The anti-kickback law prohibits the exchange of money for referrals involving federal healthcare dollars. The alert states that "although many compensation arrangements are legitimate, a compensation arrangement may violate the anti-kickback statute if even one purpose of the arrangement is to compensate a physician for his or her past or future referrals of federal healthcare program business." This alert is the third in three years involving physicians. In 2013, the OIG issued a fraud alert about physician-owned device distributorships, and in 2014 it issued a fraud alert about lab payments to physicians.

Walgreens Pushing Expansion of Telemedicine: Walgreens, the nation's largest drugstore chain, expects to reach about half the country by the end of the year with a new telemedicine service that lets people see doctors for minor ailments without leaving the home or office. Walgreens hopes to achieve this by expanding a smartphone application it started testing last December to tablets and personal computers and plans to make it available in 25 states. The growth comes as major insurers started covering telemedicine visits. For instance, UnitedHealth Group started covering earlier this year telemedicine visits for about a million people with employer-sponsored health plans and expects to expand that to 20 million customers next year. The American Telemedicine Association estimates that about 450,000 patients will see a doctor through a secure internet connection this year for a primary care consultation. The telemedicine apps aim to offer even more convenience by providing care wherever the patient is located and around-the-clock access to doctors who diagnose and treat conditions like allergies, a sinus infection or pink eye that do not require a physical examination. Walgreens said the doctors in its program are trained to quickly determine whether a patient needs more care than they can provide during a virtual visit.

Medicare Data Exposes High Cost of Ambulance Services in New Jersey: Last December Medicare authorities expressed concern over New Jersey ambulance companies' overbilling for non-emergency transportations. Medicare's recent release of fee-for-service data for individual providers, which is published annually by the federal government to show the real cost of health care, gives an idea of how much money ambulance companies have been receiving. According to the data, one company in East Orange was one of the highest ambulance billers to Medicare in New Jersey in 2013, receiving \$1.5 million in Medicare funding for serving 55 Medicare beneficiaries. Two (2) other ambulance companies received a total of \$1.8 million from Medicare in 2013 and covered 83 patients combined. According to Medicare, for non-emergency cases, such as trips for routine chemotherapy or dialysis care, Medicare is only supposed to pay if the patient must have stretcher service. If the patient is in a wheelchair or can walk, Medicare is not supposed to cover the cost. However, New Jersey is one of three (3) states that have been accused of widely abusing the rule. In response, Medicare began holding up payments to providers in New Jersey, which has caused a serious hardship to ambulance businesses dependent on non-emergency transports and caused over a dozen companies to go out of business. Although the data released by Medicaid does not reveal which companies were not following the rules, it does show that ambulance coverage is big business in New Jersey, even if only a few patients get coverage.

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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