Medical Practice Compliance ALERT

News, tools and best practices to assess risk and protect physicians

Patient-run scams on the rise; don't let them raise your compliance risks

Be wary of patients who "doctor shop" for prescription drugs and other services. In addition to patient care and malpractice problems *(MPCA 11/16/09)*, these patients increase the chances you'll run into Medicare billing and other compliance problems.

The number of patients – sometimes called "professional patients" – now defrauding Medicare, Medicaid and private payers has increased rapidly over the past three years, according to Jean Stone, director, CMS' Office of Financial Management Program Integrity Group, New York Field Office.

Professional patients receive physician orders for unnecessary items and services, solicit kickbacks to participate in billing schemes, rent their insurance information and engage in other fraudulent activities, Stone explains.

Example: You may unwittingly become part of identity theft schemes when your practice deals with professional patients who lend or sell their Medicare identification number to others, enabling them to misrepresent or impersonate legitimate beneficiaries, says Stone.

The government has ratcheted up its investigation and enforcement of patients involved in fraud, even as it cracks down on fraud committed by providers.

Professional patients pose a significant risk to innocent physicians who get caught in the crosshairs of an investigation, warns attorney Judith Waltz, Foley & Lardner, San Francisco, Calif. "With all of the data mining [the government is now doing] it's easier to track patients and kick out patterns," she explains. "CMS has more information than it did in the past. Data mining catches [problems] more than before," she notes.

That increases the scrutiny on physicians who ordered and/or billed for these services, raising red flags regarding whether the services were medically necessary, if they were actually performed and if they were more extensive than needed. At best, you face "provider education" for inappropriate billing, warns Waltz. At worst, you can be accused of being in on the fraud.

5 tips to keep professional patients at bay

To reduce the chances a professional patient will drag your practice into a fraud investigation, incorporate these five tips into your compliance plan:

1. Be sensitive to potential scams, such as patients feigning symptoms to collect prescription pain killers and resell them *(MPCA 11/16/09)*.
2. Perform due diligence at initial intake and at future visits to validate the identity and insurance coverage of the patient who is presenting for treatment, suggests Stone.
3. Make sure your documentation is adequate. When your documentation supports the medical necessity of a service, the liability on a physician for that should be minimal, says Waltz.
4. Don't let patients fill out prescription forms. The prescriber should always complete the name, address, and other information, says Waltz.
5. Make sure newly-hired physicians and non-physician practitioners notified their Medicare contractor and revoked their reassignment of benefits to the practice when they left their previous place of employment. "Don't rely on them to do so," says Stone. This will help prevent others from billing Medicare for their services without their knowledge.