

SANCTIONS FOR BILLING NONCOMPLIANCE

Published By: The Compliance Office

Approved By: Office of Counsel
URMC Leadership Team

Implemented: May 2000
Revised: December 2005

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The Compliance Office manages a Provider Billing Audit Program, conducting chart reviews for each clinical provider. The objectives of these audits are to ensure that claims for services provided are coded properly, supported by adequate documentation, and that providers understand and follow all coding and documentation rules.

Clinical providers who are deemed not to be in compliance will be educated and, when necessary, disciplined. All audit failures will be reviewed by Compliance Leadership to determine any need to accelerate the sanction process below, e.g. moving from a Phase I audit failure immediately to Phase IV. If a clinical provider fails to cooperate in the education, re-education, or any of the requirements listed below, the provider will be subject to immediate disciplinary actions such as fines, administrative suspension or Phase IV sanctions.

Should a physician fail a second audit (Phase II or beyond), the Department Chair/Chief is responsible for setting expectations and ensuring the failing physician resolves billing and/or documentation issues. If a physician fails a third or subsequent audit, the Department Chair/Chief will meet with the URMC Leadership Team to discuss the management of the failing physician.

The following process and sanction policy is summarized in the attached table.

PHASE I:

The Compliance Office will complete a medical record documentation review of a sample of a clinical provider's charts. The coding levels determined by the Compliance Office Analyst(s) will be compared to the coding levels selected by the clinical provider.

Clinical providers that meet the Compliance Office accuracy standard will receive a written report, be offered an educational feedback session with the Compliance Office, and be audited again in 12-18 months.

Clinical providers that fail will receive a written report and mandatory education, be given a copy of this sanction policy, and move into Phase II unless a determination is made to accelerate the process to a more advanced phase. The Department Chair, Chief of Service and Compliance Liaison will be notified in writing of a clinical provider's coding and documentation noncompliance.

PHASE II:

Clinical providers must attend mandatory re-education within 30 days after notification of the audit failure. The Compliance Office will reaudit a sample of the clinical provider's charts within 60 days of completion of the re-education.

Clinical providers that meet the Compliance Office accuracy standard will receive a written report, be offered an educational feedback session with the Compliance Office, move back into Phase I and be audited again within six months.

Clinical providers that fail will receive a written report, additional mandatory education and move into Phase III unless a determination is made to accelerate the process to Phase IV. The institution's Medical Director, Department Chair, Chief of Service and Compliance Liaison will be notified in

writing of the clinical provider's coding and documentation noncompliance. The provider must also meet with Compliance, the Department Chair/Chief and Compliance Liaison. The action plan developed at this meeting will be reported to the URMCLeadership Team. The Department Chair/Chief will be assessed a \$500 fine to cover the cost of the mandatory re-education and Phase III audits. It is at the discretion of the Chair/Chief whether to recoup this fine from the failing provider.

PHASE III:

Clinical providers must attend mandatory re-education within 30 days after notification of the audit failure. The Compliance Office will reaudit a sample of the clinical provider's charts within 30 days of the re-education.

Clinical providers that meet the Compliance Office accuracy standard will receive a written report, be offered an educational feedback session with the Compliance Office, move back into Phase I and be audited again within three months.

Clinical providers that fail will receive a written report, additional mandatory education and move into Phase IV. The institution's Medical Director, Department Chair, Chief of Service and Compliance Liaison will be notified in writing of the clinical provider's coding and documentation non-compliance. The provider must also meet with Compliance Leadership, the Department Chair/Chief and Compliance Liaison. The Department Chair/Chief will be assessed a \$1,000 fine to cover the cost of the mandatory re-education, Phase IV audits and concurrent chart reviews. It is at the discretion of the Chair/Chief whether to recoup this fine from the failing provider. The Department Chair/Chief will meet with the URMCLeadership Team to discuss the management of the failing physician.

PHASE IV:

Clinical providers must attend mandatory re-education immediately after notification of failure of a Phase III audit. In addition, all billing for the provider will be stopped. The Department Chair/Chief or designee will work with Compliance to implement an appropriate review of the coding and documentation for **all** of the provider's clinical services prior to billing. This concurrent chart review will continue until a satisfactory level of billing and documentation compliance is demonstrated, but will not exceed 14 days of clinical activity. Providers who successfully complete the concurrent chart review will be subject to a prospective chart audit by the Compliance Office within the following month.

Clinical providers that meet the Compliance Office accuracy standard on both the concurrent chart review and prospective Phase IV chart audit will receive a written report, be offered an educational feedback session with the Compliance Office, and move back into Phase I to be audited again within two months.

Should a clinical provider not meet the coding and documentation standards on either the concurrent chart review or the Phase IV prospective chart audit:

- The Department Chair/Chief will be assessed a \$1,500 fine. It is at the discretion of the Chair/Chief whether to recoup this fine from the failing provider.
- The Department Chair/Chief will meet with the URMCLeadership Team to discuss the management of the failing physician.

- The Compliance Officer will refer the failing physician to Corporate Compliance Leadership. This group along with the URMCLeadership Team will make recommendations to the institution's Medical Director to take appropriate disciplinary actions including, but not limited to, one or more of the following: suspension of hospital privileges with any appropriate notification to the Office of Professional Medical Conduct and the National Practitioners Data Bank, salary reduction, or termination of employment. Such penalties will be lifted only after the clinical provider demonstrates compliance with a personalized plan of correction, approved by Corporate Compliance Leadership, URMCLeadership Team and the institution's Medical Director.

SUMMARY OF SANCTIONS FOR BILLING NONCOMPLIANCE

	PHASE I	PHASE II	PHASE III	PHASE IV
Chart Audit	YES	YES	YES	Immediate prospective review of all services prior to submission of bill
Fines Assessed to Department Chair/Chief	None	Pass: None Fail: \$500	Pass: None Fail: \$1,000	Pass: None Fail: \$1,500
Follow Up Actions	<p style="text-align: center;">Pass</p> <ul style="list-style-type: none"> • Written Report • Educational Feedback • Reaudit 12-18 months <p>Fail *</p> <ul style="list-style-type: none"> • Written Report • Mandatory Education • Warn of potential fines • Notify Dept. Chair, Chief of Service + Compliance Liaison • Enter Phase II 	<p style="text-align: center;">Pass</p> <ul style="list-style-type: none"> • Written Report • Educational Feedback • Move Back to Phase 1 • Reaudit 6 months <p>Fail *</p> <ul style="list-style-type: none"> • Written Report • Mandatory Education • Notify <ul style="list-style-type: none"> ➢ Medical Director ➢ Dept. Chair, Chief of Service + Compliance Liaison • Meeting - failed MD, Compliance, Dept. Chair/Chief + Compliance Liaison • Action plan developed at mtg. reported to URMCLeadership Team • Enter Phase III 	<p style="text-align: center;">Pass</p> <ul style="list-style-type: none"> • Written Report • Educational Feedback • Move Back to Phase 1 • Reaudit 3 months <p>Fail</p> <ul style="list-style-type: none"> • Written Report • Mandatory Education • Notify <ul style="list-style-type: none"> ➢ Medical Director ➢ Dept. Chair, Chief of Service + Compliance Liaison • Stop all billing • Meeting - failed MD, Compliance, Dept. Chair/Chief + Compliance Liaison • Chair meets with URMCLeadership Team • Enter Phase IV 	<p style="text-align: center;">Pass</p> <ul style="list-style-type: none"> • Written Report • Educational Feedback • Move Back to Phase 1 • Reaudit 2 months <p>Fail</p> <ul style="list-style-type: none"> • Chair/Chief meets with URMCLeadership Team • Disciplinary corrective action plan is developed by Compliance Office Leadership in conjunction with the Medical Director and URMCLeadership Team

* All audit failures will be reviewed by Compliance Office Leadership to determine any need to accelerate the sanction process, e.g. moving from a Phase I audit failure immediately to Phase IV.