

Fed's Focus on Practice Builders

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Efforts by insurers, regulators and law enforcers to combat insurance fraud continue! On March 3, 2004, the Ohio Department of Insurance presented the 2004 Insurance Fraud Seminar in Columbus, OH, to more than 350 attendees representing insurance companies, state regulatory agencies, state / federal law enforcement agencies, and other interested parties – such as this writer. This day-long seminar included presentations by law enforcers, prosecutors, regulators, and insurers on various topics of interest to fraud-fighters, including (in order of presentation) the following:

- *Chiropractic Fraud Investigations*
- *Unauthorized Entities*
- *Staged Accident Rings*
- *Federal Prosecutions*
- *RICO*
- *Agent Misconduct*
- *Health Care Fraud Prosecutions*

This seminar provided a lot of information to the attendees on the topics addressed, whereas, for the purposes of this writing, I will summarize the information provided in the presentation entitled “Chiropractic Fraud Prosecutions”.

This presentation began with a statement that 95% of chiropractors are good and do not intentionally engage in fraud, and provided information on key techniques for investigating chiropractic fraud and on the interest of the federal government on chiropractic fraud. The key techniques segment of the presentation, presented by an insurance company SIU, provided investigative steps for investigators investigating suspected chiropractic fraud that included:

- **CPT-4 and ICD-9.** Use coding manuals to identify fraudulent coding practices of chiropractors, as the coding manuals tells what the codes mean and what must be done.
- **Claim identifiers.** Look for indications of chiropractic fraud – reporting higher level E&M codes; consistently billing for more than three services in a visit; cookie cutter notes and check sheets; same billing from two entities, i.e. chiropractor and diagnostic company; attorneys signing up clients in the clinic; heavy telemarketing; and use of runners.
- **Patient interviews.** Review all billings/records with the patients to see if the patient received the services billed, if the services billed represented areas of patient complaint, and use manuals on chiropractic tests and ask the patient if they received the (pictured) test. Frequently, in chiropractic fraud cases the patients never sees their bill and are unaware of the charges for services.
- **Referrals to State Agencies.** Get state agencies, such as Department of Insurance, and Chiropractic or Medical boards, involved by reporting any inappropriate or questionable activity.
- **Know your opponent.** Visit the chiropractic clinic to see what is going on, if the clinic has the equipment to provide the services reported, and if appropriate personnel are providing services. Check with the state chiropractic board to determine the status of the chiropractor's license. Have the bills / records reviewed by chiropractic peer review doctors, and review chiropractic manuals to see if the chiropractor's services are consistent with chiropractic standards.

The segment on the interest of the federal government on chiropractic fraud summarized specific federal statutes developed to combat health care fraud and revealed that interest of the government in chiropractic fraud has increased significantly over the years beyond the limited (adjustment) codes that can be billed to Medicare by chiropractors with the advent of

chiropractors working with national chiropractic practice builders to operate MD-DC practices to submit claims for services that would otherwise not be covered. To exemplify this point the Halstead case was discussed. Additionally, it was disclosed that the government is interested in the activity of **other national chiropractic practice builders** – not just MD-DC consultants, where local and national investigations are being conducted. One such investigation discussed involved the activity of a Pennsylvania practice builder, and associates operating seminar, marketing, diagnostic, and other companies. The speaker, a Special Agent with HHS OIG reported particular interest in a company advertising “Compliance Officer Certification” by the OIG – which is blatantly false!

In the question and answer session of this presentation many in the audience not only had questions for the presenters but also had stories to tell on perceived fraud going on by chiropractors in their area. Here are some of the story lines – chiropractors are telemarketing their services as pre-approved by the insurance company; chiropractors billing \$700 - \$1,500 for digital motion x-rays; chiropractors billing for the digitization of x-rays; chiropractors billing for rehab services rendered by unlicensed staff.

It is apparent with this seminar, and others like it being conducted throughout the United States, combined with aggressive efforts, that today's chiropractor must ensure that their practice activity is consistent with the laws and rules that govern health care! Answers and proper guidance from an experienced health care attorney and other bona fide compliance resources is the order of the day for questions or uncertainty that exists on practice activity.

PUBLISHED: Florida Chiropractic Association Newsletter, winter 2004.