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OUTSOURCED BILLING ARRANGEMENTS

WHAT YOU NEED TO KNOW TO REDUCE RISK
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OVERVIEW

PRINCIPAL GOALS

Sharing of Responsibility for Errors

Sharing Responsibility for Education

Well Thought Out Audits and Education

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OVERVIEW

PRINCIPAL CONCERNS

Shifting of Responsibility

Not Finding and Correcting Errors

Not Educating or Communicating

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OVERVIEW

The Typical Contractual Relationship

“First Impressions”

“Not the Only Fish in the Sea”

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TYPICAL CONTRACT TERMS

Coding Obligations of the Billing Company

To code all Medical Services provided by Group and generate an initial bill, claim or statement of account to the appropriate Payor on behalf of Group after receiving complete medical, charge and patient data.

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TYPICAL CONTRACT TERMS

POLICIES AND PROCEDURES

To propose policy standards for billing and collection where a need for change in Group policy is perceived.

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TYPICAL CONTRACT TERMS

TRAINING

To provide regular training and onsite compliance seminars to Group staff by experienced employees of BILLING COMPANY so that such staff are knowledgeable in the methods and procedures required for BILLING COMPANY to effect proper billing and collection.

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TYPICAL CONTRACT TERMS

AUDITING

To provide an annual compliance/coding billing audit into key risk areas as reasonably determined in conjunction with the Group's attorney, to be conducted under attorney-client privilege in conjunction with Group's attorney. There will be an on-site educational session, conducted by the BILLING COMPANY Compliance Department, to address add deficiencies found in the audit.

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TYPICAL CONTRACT TERMS

COMPLIANCE

To maintain and comply with at all times during the course of this Agreement a compliance plan that is effective and consistent with the standards set forth in the Department of Health and Human Services (“HHS”) Office of Inspector General’s Compliance Program Guidance for Third-Party Medical Billing Companies.

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TYPICAL CONTRACT TERMS

AUDITING OF BILLING COMPANY

To cooperate fully with outside auditors retained by the Group to audit BILLING COMPANY’s performance so long as said audits do not occur more frequently than once per twelve (12) month period and audits do not put an undue burden on BILLING COMPANY’s resources in order for them to be completed, in BILLING COMPANY’s sole reasonable judgment. Group agrees said audit shall not be conducted by any firm or entity that BILLING COMPANY, in its sole discretion, deems to be a competitor, and to share the audit results with BILLING COMPANY when said audit is complete.

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TYPICAL CONTRACT TERMS

DISCLAIMER OF LIABILITY

Group agrees that as long as BILLING COMPANY has used commercially reasonable efforts to effect reimbursement, BILLING COMPANY will not be held responsible for nonpayment by Medicare, Medicaid, commercial or private insurance carriers, patients or other responsible parties or entities. THEREFORE, EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, BILLING COMPANY DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE PERTAINING TO THE TIMING AND AMOUNT OF COLLECTIONS GENERATED BY THE SERVICES.

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TYPICAL CONTRACT TERMS

OBLIGATIONS OF GROUP

To assist BILLING COMPANY in researching missing data to generate a bill, claim or statement of account, and in appealing claims denied for lack of medical necessity.

To establish the Charge Schedule and provide regular updates of the Charge Schedule and to provide documentation of adjustments to the Charge Schedule.

To comply with all pertinent provisions of federal and state laws and regulations with respect to Medical Services performed under this Agreement.

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TYPICAL CONTRACT TERMS

When relevant to the care of an individual patient, to clearly and legibly document:

- All post-operative pain blocks and catheters on the anesthesia record so that they are easily identified by the coder for proper coding and billing; and
- All invasive line placements, the name of the provider that placed the invasive line and whether or not there were “two separate sticks” for CVPs and Swan Ganz catheters; and
- All seven of the CMS Medical Direction requirements in the patient’s medical record.

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TYPICAL CONTRACT TERMS

- To provide copies of all applicable and currently-effective managed care contracts that Group has entered into with Payors.
- Group with ensure that BILLING COMPANY receives all required provider information necessary to complete the provider enrollment process in the time-frame required by a Payor so long as BILLING COMPANY has provided appropriate notification of Payor’s requirements to Group. Failure to do so may result in denial of payment by a given Payor for services and Group acknowledges that such denial is not BILLING COMPANY’s responsibility so long as BILLING COMPANY has used commercially-reasonable methods to accomplish the provider enrollment.

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TYPICAL CONTRACT TERMS

LIQUIDATED DAMAGES CLAIMS PERIOD

Group shall be responsible for the codes assigned to patient charts, including, but not limited to, the accuracy, legality and appropriateness of such codes; the accuracy of fee schedules; and the accuracy of all other data provided to BILLING COMPANY.

BILLING COMPANY's liability for any loss or damage incurred by Group arising from any cause whatsoever under this Agreement, to the extent that such loss or damage is caused by BILLING COMPANY, shall be limited to the sum of the Monthly Fee payable by Group to BILLING COMPANY for the month when the act or omission that gave rise to the loss or damage first occurred and the Monthly Fees for the two (2) months prior to that month.

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TYPICAL CONTRACT TERMS

6. Overpayments and refunds will be handled in accordance with BILLING COMPANY's refund policy per Exhibit B.
7. BILLING COMPANY shall bill Medicare and Medicaid claims in accordance with Medicare and Medicaid guidelines.
8. Bills to non-Medicare and non-Medicaid shall be the same whether the patient has private insurance or is private pay unless there is a contract with an insurance company for negotiated rates.

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TYPICAL CONTRACT TERMS

BILLING COMPANY shall refund any Monthly Fees associated with claims reimbursed as a result of an error or omission by BILLING COMPANY. BILLING COMPANY will also pay for any reasonable legal, accounting and/or consulting fees associated with an error or omission and the costs of a claim audit if it is reasonably necessary to determine the scope of any under or overpayment. BILLING COMPANY shall have no liability for the (a) inability of third parties or systems beyond the control of BILLING COMPANY to accurately process data, or (b) transmission to BILLING COMPANY of inaccurate, incomplete or duplicate data.

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TYPICAL CONTRACT TERMS

No proceeding or action arising out of this Agreement may be brought by either party more than twelve (12) months after the cause of action has arisen. Notwithstanding the foregoing, the liquidated damages and claims period set forth above shall not apply to any civil monetary fine or penalty and interest assessed against Group arising out of the sole negligence or willful misconduct of BILLING COMPANY. Neither party shall in any event be liable to the other for any indirect, special, incidental, consequential or similar losses or damages suffered by such party or any third party.

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TYPICAL CONTRACT TERMS

GROUP SPECIAL BILLING INSTRUCTIONS TO BILLING COMPANY

Group acknowledges that it understands and agrees to BILLING COMPANY's standard billing policy as written below, with the following exceptions and additions, which are submitted by Group to BILLING COMPANY as changes to BILLING COMPANY's standard billing policy.

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TYPICAL CONTRACT TERMS

1. Fee schedule for insured and private pay patients shall be based on. . .
2. Bill patient for differences in charges and private insurance UCR payments unless Group has written contract with insurance company to the contrary.
3. Only honor strike-throughs on billing sheets initialed and marked by Group.
4. Do not accept changes for billing sheets over the telephone. All changes must be in writing and initialed by the provider that performed the services.
5. If Group marks billing sheets to give discounts, BILLING COMPANY shall accept this as certification by Group that patient meets Group's low income policy.

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TYPICAL CONTRACT TERMS

9. Services/procedures marked on the billing slip shall be the services/procedures used for billing. By indicating these services/procedures, Client is certifying that this is accurately reflected in the patient's medical record.

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