

CMQ96-004

MSP Monitoring, Investigation and Recovery Process: Fee-For-Service Billing

The following information explains how payments and services are monitored, how cases of possible inappropriate billing are identified and investigated, and the process of hearings leading to potential recoveries.

Monitoring

The two routine methods employed to monitor payments for health care services rendered by physicians and other practitioners billing the Medical Services Plan (MSP) on a fee-for-service basis are:

Service Verification. Several thousand surveys are sent to beneficiaries (patients) to confirm that they received the services for the claims paid on their behalf.

Practitioner Profiles. A profile report is produced annually for each practitioner who receives fee-for-service payment from MSP.

Case Finding

Sources of cases for investigation include significant irregularities in Service Verification Audits, complaints from the general public or other members of the profession, referrals from the College of Physicians and Surgeons, issues identified by the claims adjudication area of MSP, and abnormalities present in practitioner profiles.

Profiles use a combination of various indicators or measures for comparing a practitioner with a peer group. The review is used to identify patterns of practice or billing which are significantly different from the average of the peer group. At present an exception limit of 2 Standard Deviations (SD) is used to indicate which practitioners may warrant further investigation. The exception limit of 2 SD is but one tool used to focus investigative resources onto practices in which misbilling or overservicing may be more likely to be found. Different exception limits may be used, appropriate to the measure being compared. Investigation normally focuses on the following two areas of practice:

Overservicing is the rendering of more services than are medically required.

Misbilling is the substitution of fee items, usually a higher priced item, not consistent with the actual service rendered.

Practitioner profiles are reviewed by the Patterns of Practice Committee (POPC). The role of the POPC is to provide a professional opinion whether there are valid reasons why a practitioner's profile may differ from the peer group, or whether variation appears to be clinically appropriate. Factors such as the case mix or professional interest of the practitioner may explain the variation. To obtain an explanation, the POPC corresponds with the practitioner. An interview with the practitioner may be required in some cases.

Members:

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Investigation

The POPC may advise the Medical Services Commission (MSC) to investigate the unexplained variation, by doing an on-site audit. The legislated authority to conduct an on-site investigation is delegated by the MSC to the Audit and Inspection Committee (AIC), composed of one representative from the British Columbia Medical Association, the College of Physicians and Surgeons, MSP, and the public.

Investigation involves an audit of clinical records, usually conducted at the site of the practice, thus referred to as an "on-site." An on-site involves chart review by a medical inspector, who is a peer of the affected practitioner, and auditing of the business practices of the practitioner (relative to MSP billings) by an accountant.

The objectives of the audit are to determine, based on the clinical record, whether a service was:

- actually rendered;
- a benefit of the Plan;
- billed correctly;
- medically necessary;
- properly documented;
- rendered by the practitioner making the claim; and
- performed in such a way that there are no quality of care concerns.

The medical inspector may also give a semi-quantitative appraisal of the medical necessity for the frequency of visits observed. The audit report is compiled by the on-site team with the assistance of MSP staff and forwarded to the Audit and Inspection Committee of the MSC. If there are reasons to consider recovering funds that may have been paid inappropriately, the Audit and Inspection Committee will recommend that the MSC convene an Audit Hearing Panel.

Hearings

The Panel includes a representative of the Government, the profession and the public. It is a quasi-judicial body that has authority to make an order for recovery. The order is filed with the British Columbia Supreme Court. The hearing affords the practitioner a fair process, adhering to the rules of natural justice. In cases where a panel makes a restitution order against a practitioner, the practitioner can appeal to the Medical and Health Care Services Appeal Board. The Appeal Board is also a quasi-judicial body and is at arm's length from government.

For more information concerning the monitoring, investigation or hearing process please contact the Medical Services Plan at 952-3170.

Note: This information supersedes any previously published information.

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