Spies Like U.S.

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Under this program, now in place and to continue at least three years, auditors show up at your office and scour your records looking for Medicare overpayments. They're nice enough to tell you, and their bosses, when they find some - and they get to keep a percentage of everything they find. CMS can then pursue a fraud investigation of the practice. Practices in California, Florida, and New York - states with the largest Medicare expenditures - will serve as guinea pigs.

"It is ... estimated," reports CMS' announcement on the initiative, "that in the last two fiscal years, billions of dollars have been inappropriately paid out by Medicare. There is growing concern that the Medicare Trust Fund may not be adequately protected against erroneous payment. ... Physicians ... should note that this initiative is designed to ... be a cost-effective means of ensuring that you receive correct payments ...."

In short, dear physician, Medicare is nearing a fiscal crisis, and CMS thinks that's partly because you are stealing taxpayer dollars. So they are sending out spies with dollar signs dancing in their eyes. This initiative gives me the creepy crawlies. It's wrong on so many levels.

I expect I could go into just about any practice in the country and find some overpayments that the practice didn't recognize and refund. Really, when staff are sending three appeal letters on 60 percent of Medicare claims, no one has time to also track the accuracy of claims that actually are paid. And why should physicians pay staff to do Medicare's job - to check its accounting?

In any case, were I to go into practices myself as an auditor, I would undoubtedly find many more underpayments than overpayments - reimbursement denied for frivolous reasons, services undercoded from the get-go as physicians respond to the general air of suspicion, automated claims systems wrongly bundling and reducing payment for multiple services.

The Medicare Prescription Drug and Modernization Act of 2003, which called for the audit initiative, stated that auditors should identify "underpayments and overpayments." But the underpayment piece is completely missing from the actual initiative.

Equally disturbing is CMS' persistent stance that greedy physicians are to blame for Medicare's woes - despite all evidence to the contrary. For example, multiple studies have shown that Medicare expenditures are higher in states such as California and Florida not because physicians overorder or scam the system, but because there are so many healthcare services available in those states. The more we have available to us, the more we use.

And has the administration forgotten the cost of its own prescription drug plan? It won't recoup $724 billion (see this month's cover story) by sending auditors into practices.

I can't decide if CMS' attitude reflects bureaucratic blindness or a cynical, self-preserving way to reposition the looming Medicare crisis in the eyes of politicos and patients. CMS manages to couch its attack on physicians in pleasant terms. Uncle Sam just wants to ensure "that you receive correct payments." Are physicians supposed to feel grateful?

I fear a different reaction is in store. More physicians, fed up with being the scapegoat, will leave the Medicare system. Already, seniors have a hard time finding physicians willing to see them. Perhaps that is CMS' true plan for saving Medicare. If there are no physicians willing to see Medicare patients, and no services being rendered, Medi-care could save a ton of money.

Have you considered dropping Medicare altogether? What do you think of the government's plan to use auditors-on-commission to snoop through your files? E-mail me at pmoore@physicianspractice.com.

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