PHYSICIAN DOUBLE BILLING AUDIT PROGRAM

GENERAL: A patient visit will have two components: administrative and direct patient care. Charges relating to the administrative portion will be included in the hospital's charges. Charges relating to the direct patient care portion can be either included in the hospital's charges or billed for by a servicing physician who does not have a fiscal relationship with the hospital. Emphasis is on outpatient areas.

OBJECTIVE: To ensure that patient care compensation is correctly made to the entity providing the patient care related services, noting the following:

1. Charges relating to the administrative portion of the service made to the beneficiary will be included in the hospital's charges.

2. If a physician's contract with a hospital includes a clause noting that the physician can bill for a patient care related portion of a service provided, the charges for the patient care services will not be included in the hospital's charges.

3. If a physician's contract is not available and that physician has a fiscal relationship to the hospital of greater than or equal to $5,000, the charges relating to direct patient care will be included in the hospital's charges, and cannot be billed for by the servicing physician.

PHYSICIAN DOUBLE BILLING AUDIT PROGRAM (Continued)

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PHYSICIAN DOUBLE BILLING AUDIT PROGRAM (Continued)

STEP	PROCEDURE DESCRIPTION	AUDITOR'S INITIALS AND DATE	WP REF

PHYSICIAN DOUBLE BILLING DOCUMENTS

1. Obtain the physician double billing documents. These include:

   A. List of all outpatient claims billed by a hospital and a physician for the same beneficiary for the same date of service;

   B. Physician contracts;

   C. Physician payroll register and working trial balance; and

   D. Physician fee payment schedule.

PHYSICIAN DOUBLE BILLING

2. The purpose of this section is to ensure that all compensation applicable to patient care related services is properly made to the servicing entity.

   A. Review physician contracts to verify whether the physician is to bill for patient care related services, or whether the charges relating to these services are to be included in the hospital's charges.

   B. Review the physician payroll register, fee payment schedule and working trial balance to determine whether the physician has a fiscal relationship with the hospital.

PHYSICIAN DOUBLE BILLING AUDIT PROGRAM (Continued)

STEP	PROCEDURE DESCRIPTION	AUDITOR'S INITIALS AND DATE	WP REF

SAMPLE TEST OF CLAIMS

3. Select the hospital and physician claims and patient files relating to a sample of patient files chosen from the list of claims both billed by a physician and included in the hospital charges. A test of claims based on a statistically valid sampling technique is recommended. Stratification of the universe of small dollar amounts is recommended. It is also suggested that all high-dollar amounts over a certain amount be reviewed. However, where errors are noted, and your tests are based on a sample that is not statistically valid, you should consider expanding the sample to verify that the expanded sample is representative of the population. However, if in your judgment the amount sampled is representative of the population, then you do not need to expand the sample. The audit adjustments should reflect the population and not just the errors in the original or expanded sample. Where statistical sampling is used, project the error rate to the universe and make appropriate disallowances.

   A. Review the sample of matching physician and hospital claims with supporting patient files to ensure the service is properly billed by the physician or included in the hospital charges, based on review of the physician contract and the payroll register and physician fee payment schedule, noting the stated objectives.

   B. Determine amounts improperly billed by the physician or improperly included in the hospital's charges.

   Propose an audit adjustment, where necessary.