

A decorative green line starts from a sphere on the left, curves upwards and to the right, and then loops back to the left, ending near the top right of the yellow banner.

# Physician Education 2005

Presented by:  
The Corporate  
Responsibility Department



# Business Integrity

Ethics and Integrity = Good Business

**ST. JOHN HEALTH IS  
COMMITTED TO  
DOING THE RIGHT THING!**

# What is SJH's Corporate Responsibility Program?



- ✦ A program that provides direction and answers questions
- ✦ A program that promotes and protects the integrity of SJH
- ✦ A program to detect, prevent and report unethical or illegal conduct

# What are the Benefits?

- ✦ Ensures that laws are followed and crimes are not committed
- ✦ Cost-savings
  - One trillion dollars a year are spent on healthcare and 10% (\$100 billion) of costs were not necessary
- ✦ Reduces liability





# The Long and Short Of It

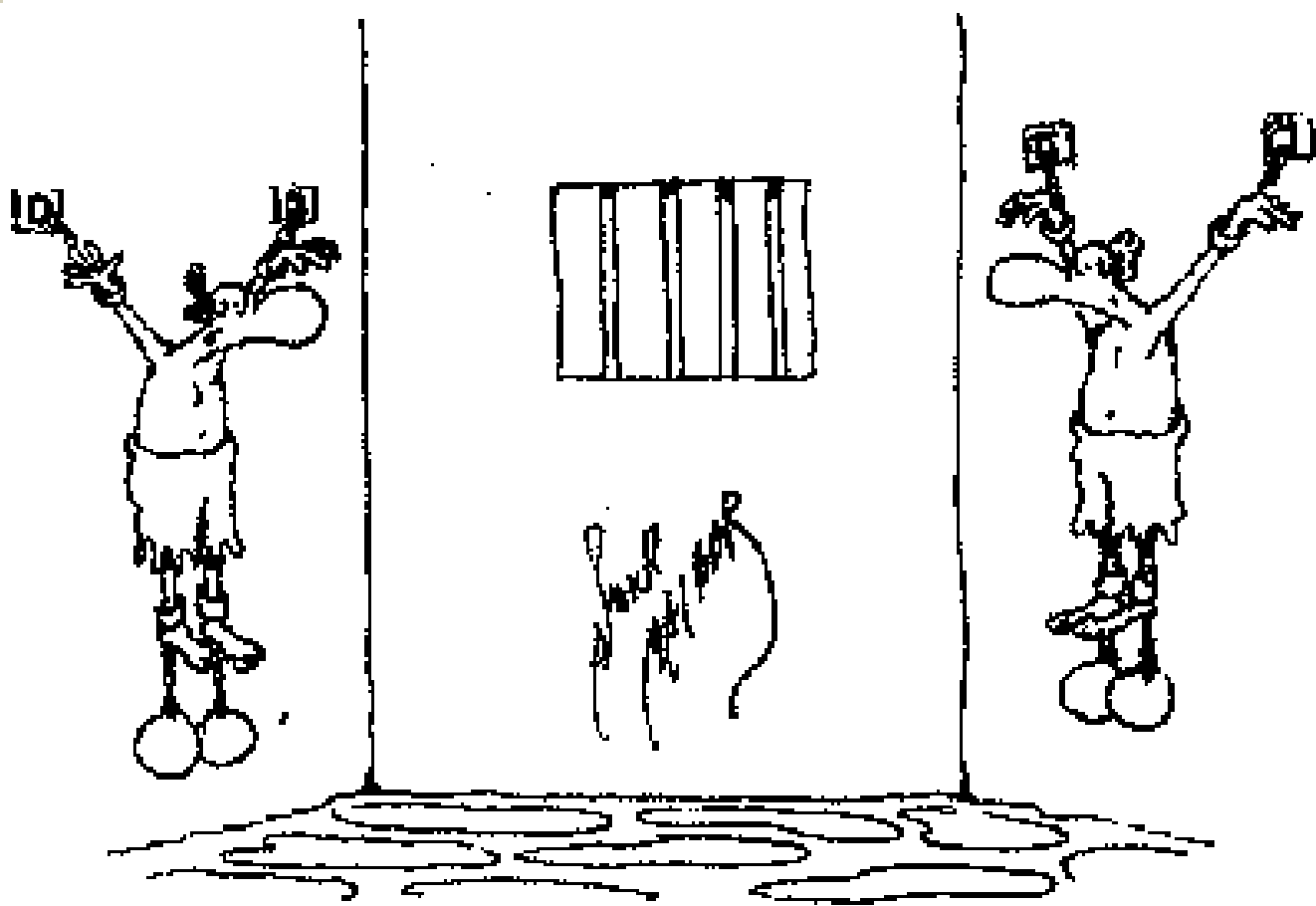
## ✦ In the short run

- Doing the right thing may appear to cost more especially if billing correctly means collecting less money

## ✦ In the long run you will:

- Avoid negative publicity
- Avoid paying high fines
- Stay out of jail

# Why Should You Be Concerned About Compliance?



"...so I said 'compliance, schlumpliance....'"

# Conflict of Interest



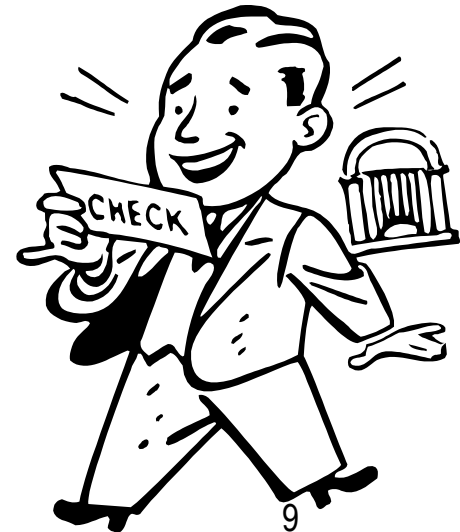
# What Would You Do?

- ✦ You are offered tickets to dinner and a Red Wings game by a pharmaceutical rep you see regularly. What would you do?
  - Go and have fun.
  - Ask if you can bring your spouse along.
  - Ask your Medical Director if you can go.
  - Decline the offer to avoid the appearance of a conflict.



# Conflict of Interest Defined

- ✦ It is the policy of St. John Health that individuals may not use their relationship with the organization to profit personally or to assist others in profiting in any way at the expense of the organization or by using information not available to the public.
- ✦ All physicians are expected to conduct their activities so as to avoid conflicts of interest and/or the appearance of conflicts.



# Conflict of Interest Defined

- ✦ You or your immediate family member (spouse, parent, stepparent, child, spouse of child, stepchild, spouse of stepchild, brother, sister or spouse of brother or sister of the individual):
  - Holds, directly or indirectly, a material ownership or financial interest, or employment or management position in any outside concern from which SJH and/or Ascension Health purchases goods or services.





# Conflict of Interest Defined

- Competes, either directly or indirectly, with various health services, products or plans offered by SJH and/or Ascension Health.
- Serves as a director or renders managerial or consulting services to any outside concern that does business with or competes with the services offered by SJH and/or Ascension Health.
- Has a relationship (financial or otherwise) with any company or organization that furnishes consulting or professional services to SJH and/or Ascension Health.

# Limitations



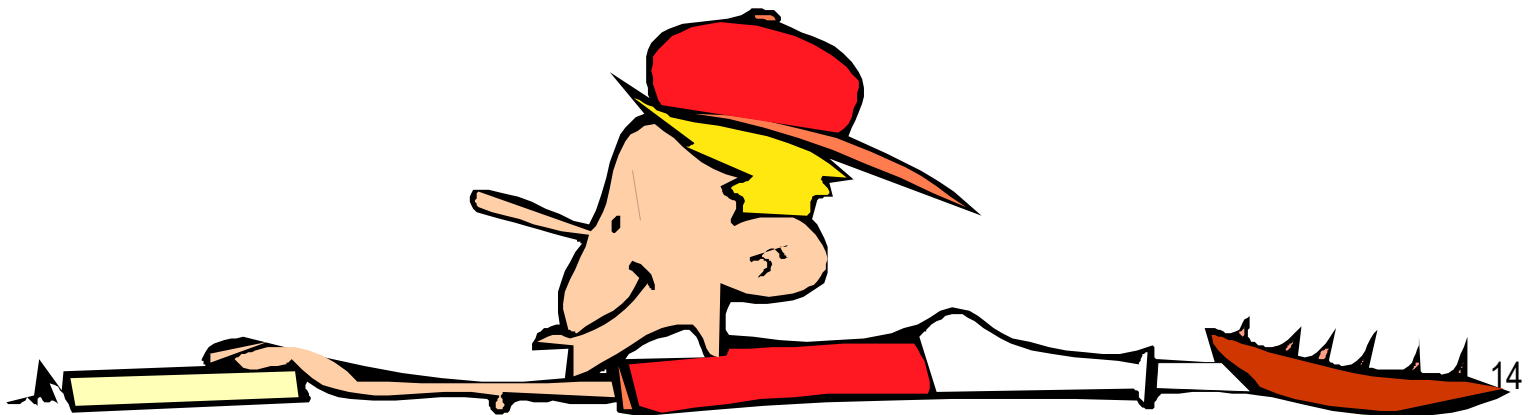
- ✦ The acceptance of gifts or entertainment worth more than \$300 (from one vendor) in a calendar year indicates a financial interest.
- ✦ Physician must be careful about attending vendor-sponsored seminars and workshops, especially those that are out-of-town, if they receive something more than they have paid for e.g. payment for speaking at a seminar or a free seminar worth more than \$300.

# Examples

- ✦ Your spouse owns a home health care agency that you consistently refer patients to.
- ✦ You are involved in determining what drugs will be on the formulary and you are paid by a drug company to speak on how their drugs have worked effectively for your patients and spend several days for free at a resort.
- ✦ You are a silent partner in a DME company and you make sure that patients are always referred to this company.

# Play it Safe

- ⚡ Disclose all potential conflicts, even if you do not perceive them to be a real conflict
- ⚡ All conflicts are not necessarily bad

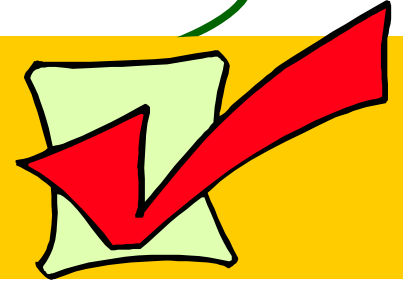


# Post-Discharge Referrals

- ✦ Home Care
- ✦ Hospice
- ✦ Infusion Therapy
- ✦ Medical Equipment
- ✦ Nursing Home
- ✦ Physical Rehab



# Referrals



- ✦ Physicians should refer patients to the facilities and programs that best meet the needs of the patient.
- ✦ It is acceptable to refer your patients to any of the St. John Health programs.
- ✦ It is against Federal law (Stark) for a you to refer patients to entities in which you or a member of your immediate family have a financial interest.

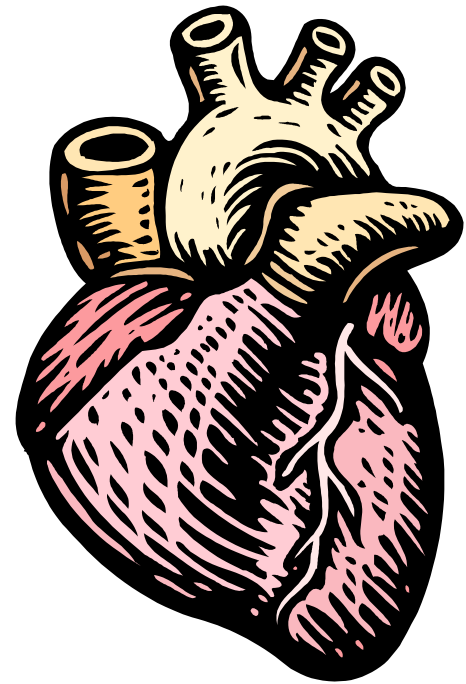
# Medical Necessity

- ✦ Healthcare providers now face fraud and abuse liability when inadequate care is provided.
- ✦ The government has successfully negotiated settlements for fraud and abuse violations for quality of care issues.



# Redding Medical Center

- ✦ Review by independent cardiologists of 52 bypass operations
  - 85% unnecessary
- ✦ \$54,000,000 recovery based on alleged unnecessary cardiac procedures and surgeries





# Western Maryland Health System

- ✦ Radiologists performed and billed Medicare for various radiological exams and procedures that had not been ordered by the treating physicians and were not medically necessary.
- ✦ “Drive-by” angiograms were not medically necessary.
- ✦ \$1,600,000 recovery by the government based on unnecessary procedures.



# United Memorial Health Center

- ✦ Hospital recruited Jeffrey Askanazi and granted privileges for anesthesia and pain management.
- ✦ Pain management procedures rose from 24 per month in January 1994 to 230 per month in December 1994.
- ✦ Hospital's net income grew from \$424,000 in 1993 to \$2,187,000 in 1994.
- ✦ Patient's death prompted the hospital's quality-of-care committee to send files for review.



# United Memorial Health Center

## Jeffrey Askanazi

- Convicted on 33 counts of mail fraud for false billing and for unnecessary pain-management treatments and for anesthesia procedures that he did not perform.
- Prison for three years and stripped of his license to practice medicine.
- Hospital paid a fine over \$1 million, reimbursed approximately \$750,000, and entered into a corporate integrity agreement with the government.



# Lesson Learned

- ✦ This case demonstrates how serious the consequences can be when a hospital puts its financial priorities ahead of patient safety and quality medical care.



# Business Relationships

- ✦ Improper business arrangements are compliance risks.
- ✦ As a necessary component of compliance, physicians should make sure that business relationships are appropriately reviewed for compliance with the Anti-Kickback and Stark II laws



# Business Relationships

- ✦ Metropolitan Hospital, Grand Rapids
  - \$6.25 million settlement
  - Hospital engaged in financial relationships with various physicians that were prohibited under the federal Stark anti-kickback statute
    - Compensation paid to surgeons exceeded fair market value
    - Office space was leased to physicians below fair market value at terms that were not reasonable
    - Hospital submitted claims unsubstantiated by the medical record

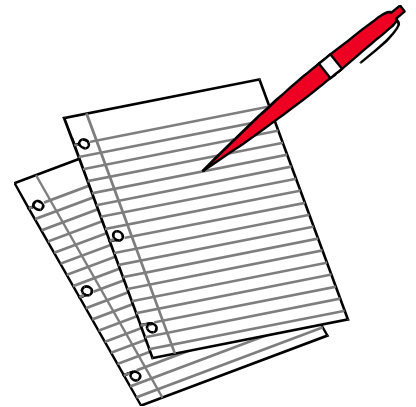
# PATH Definitions

- ✦ Critical or key portion: Part(s) of a service that the teaching physician (TP) determines is a critical or key portion(s).
- ✦ Physically present: Means that the teaching physician is located in the same room as the patient and/or performs a face-to-face service.

# Definitions

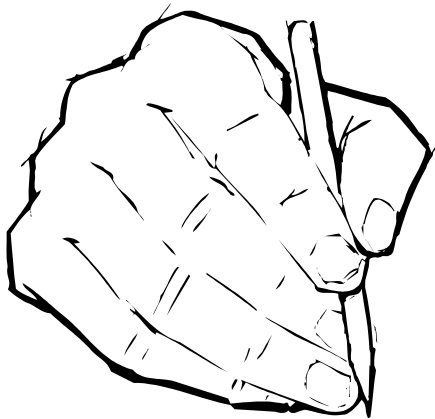
## ✦ Documentation:

- May be dictated and typed, hand-written or computer generated
- Must be dated
- Must have a LEGIBLE signature
- Must identify
  - The service furnished
  - The participation of the TP in providing the service
  - Whether the TP was physically present



# Documentation

- ✚ The proof lies in the documentation
- ✚ It is a false claim if professional services are billed under the TP's name without evidence that the TP was appropriately involved with the service.





# Primary Care Exception Rule

- ✦ Allows for the TP to get reimbursed for services that were rendered by a resident even when the TP is not physically present
- ✦ Applies only to low level outpatient visits:
  - 99201-99203
  - 99211-99213



# Lesson Learned

## Providers Beware!

- You never know who may be calling the government's Medicare fraud hotline, and the feds have demonstrated that they are willing to follow up on tips aggressively.

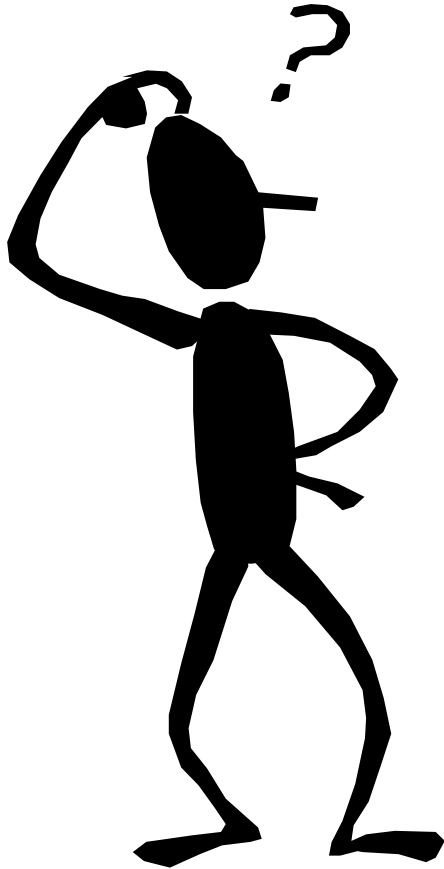


# Bottom Line!

Documentation = Actual Care

Documentation will protect you!

# Ask Yourself



- ✦ Is this legal?
- ✦ Is it the right thing to do?
- ✦ How will it look in tomorrow morning's newspapers?
- ✦ Am I being fair and honest?
- ✦ Will I sleep soundly tonight?
- ✦ **SINCE I AM NOT SURE, SHOULD I ASK?**



# Take Action

- ✦ Doing what is right and making the right decision may not always be obvious
  - Ask for help
    - Contact your Chief, Program Director or Medical Education
    - Contact your Local Corporate Responsibility Officer or Privacy Officer, \_\_\_\_\_
    - Contact the Corporate Responsibility Department (586)753-1171
    - Call the Values Line (800)707-2198



# Words of Wisdom

**Travel the path of integrity without looking back, for there is never a wrong time to do the right thing.**

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Physician Education  
2004

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