

OIG Alert: Physicians Cautioned When Reassigning Medicare Payments

According to a recent alert from the Department of Health and Human Services Office of Inspector General (OIG), physicians should be cautious when executing a CMS-855R application to reassign their right to bill the Medicare program and receive Medicare payments. If physicians fail to exercise appropriate caution, they may be liable for false claims submitted by entities to which they reassigned their rights.

BACKGROUND

The OIG recently settled with eight physicians accused of violating the Civil Monetary Penalties Law by causing false claims to be submitted to Medicare by physical-medicine companies. The physicians in question reassigned their Medicare payment rights to physical-medicine companies in exchange for receiving Medical Directorship positions. As Medical Directors, the physicians did not personally perform or directly supervise any services. Nonetheless, the physical-medicine companies billed Medicare for services the physicians allegedly performed but which were not actually performed or were not performed as billed. In fact, untrained individuals such as retail cashiers and massage therapists were serving as physical-therapy technicians. These technicians were unlicensed and had little or no medical background. Despite their lack of qualifications, these technicians provided unsupervised in-home physical-therapy services to Medicare and Medicaid beneficiaries. The physical-medicine companies falsely billed Medicare for these services using the physicians' reassigned provider numbers as if the physicians personally rendered the services or directly supervised the technicians in doing so. Many of the owners and operators of the physical-medicine companies were criminally prosecuted. In addition, the OIG concluded that the physicians were an integral part of the fraudulent scheme because of their failure to monitor the services being billed using their reassigned provider numbers. Accordingly, the OIG sought to impose liability on the physicians pursuant to the Civil Monetary Penalties Law.

GUIDANCE

The OIG encourages physicians to employ heightened scrutiny before reassigning their Medicare payments to another entity. Physicians should carefully evaluate the entities to which they reassign their Medicare payments and ensure that the entities are legitimate providers or suppliers of health care items and services. Moreover, physicians should remember that when they reassign to any entity their right to bill the Medicare program and receive Medicare payments, they have an unrestricted right to access claims the entity has submitted using the physicians' reassigned provider numbers. This right is designed to ensure that the services for which the entity has billed Medicare were actually performed and were performed as billed.