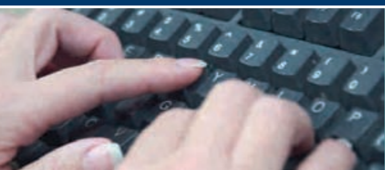
ONE Source

NATIONAL EXPERTISE WITH A LOCAL FEEL

QUARTERLY NEWSLETTER | WINTER 2008 | VOLUME 5



A LETTER FROM J. PAUL O'HARO, CHIEF EXECUTIVE OFFICER

INSIDE

Twenty years ago, industry analysts theorized three to five mega systems would control most of the delivery of healthcare in the country.

As we know, the mega-healthcare systems did not materialize. Reasons suggested were healthcare is a personal choice, and it is local – just like politics. Patients still refer to "my" doctor and "my" hospital. Many times, life-and-death decisions are being made about a loved one and cost is not a consideration. A third reason the mega healthcare systems failed was attributed to the financing of healthcare.

Today, the financing of healthcare is where we might just see the control of healthcare. It will be in the hands of those mega insurance companies or payers. With demographic changes in the aging baby-boomer population, Medicare and Medicaid programs cover a large, growing percentage of the population and represent approximately 45 percent of all healthcare payments today.

The financing of government payers and payments comes in the form of taxes. In addition, large healthcare insurers continue to gain more and more control through consolidation.

Cigna announced a $1.5 billion acquisition of Great West Health in November. United Healthcare Group acquired Sierra Health Services in March.

You have to wonder if this trend is just the beginning to more consolidation by the larger insurers. Are they positioning themselves to go to the federal government and tout an end-to-end claims adjudication management system? Will it function similarly to the current intermediary system used by the government? Can they trim administrative costs out of the healthcare system through the financing, defined treatment protocols for the delivery of medicine and the adjudication of the claims all under one umbrella? Is it really national healthcare just modified with a sprinkling of a little consumer choice?

Profits of the private and public healthcare insurance companies continue to increase and physician incomes continue to decline as a percentage of the healthcare dollar.

We strive to work in partnership with our clients to increase their incomes, since our business is tied directly to the revenue of the physicians we serve. We are not perfect. No company is. However, we always strive to do our best for our clients. The true test of a partnership is in the character of the partners when the path is bumpy, not when everything is smooth sailing.

Today, when the path has many forks and bumps, physicians need to ask, "Do I have that kind of partnership with my current billing and practice manager solution for the future?" If you can answer this question with "Yes", then you are well positioned to face the future. If you answer "No" or you are uncertain as to the answer, then please give us a call and let our team of professionals work to help you find the right answer.

I am confident with our management and physician leadership working together that we can find innovative ways to reduce practice expenses and obtain the optimum reimbursements for the services provided by making sure we have the appropriate information to cleanly adjudicate claims for you.

Your success is our success as we work together in a complex healthcare system with many areas for breakdown to guide your practice to a more successful financial outcome.

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J. Paul O'Haro

President & Chief Executive Officer
CompONE Services, Ltd.

CompONE
Solutions for a More Profitable Practice.™

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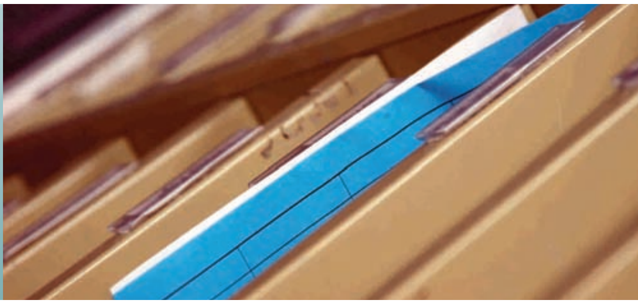
COMPLIANCE CORNER



Why should you care about billing compliance?

You are essential to your organization's compliance with the Fair Claims Act (FCA). The codes your facility attaches to diagnoses and procedures, the documentation for each Medicare and Medicaid patient, the bills you file – even the dates you record for when procedures occur – are all subject to the FCA. Therefore, your work must be clear, accurate and in compliance with all rules and regulations.

What is billing compliance?

Healthcare billing and coding compliance refers to your organization's ability to operate within the laws, rules, regulations, and policies set by the federal and state governments, insurance programs, Medicare carriers, and fiscal intermediaries. Organizations suspected of fraud or abuse must deal with government audits, reviews and interviews of employees.

What is the False Claims Act?

First enacted in the wake of Civil War profiteering, the FCA imposes civil liability on organizations and individuals that make false claims to the government for payment. Anyone who violates the FCA is liable for a civil penalty of not less than $5,500 and not more than $11,000 *per claim*, plus three times the amount of the damages the government sustains. In addition, the government can exclude violators from participating in Medicare, Medicaid, and other government programs. There is also federal criminal enforcement for intentional participation in the submission of a false claim. A person violating this subsection shall also be liable to the United States government for the costs of a civil action brought to recover any penalties or damages.

Who is liable under the FCA?

The government can use the FCA against organizations and individual employees who commit billing fraud. In fact, the act applies to any person who does the following:

- Knowingly presents the government with a false claim for payment or approval
- Knowingly makes a false statement to get a fraudulent claim paid by the government
- Conspires to defraud the government by getting a false or fraudulent claim paid
- Knowingly makes a false record or statement to conceal, avoid or decrease an obligation to pay the government
- "Causes" a false claim to be submitted

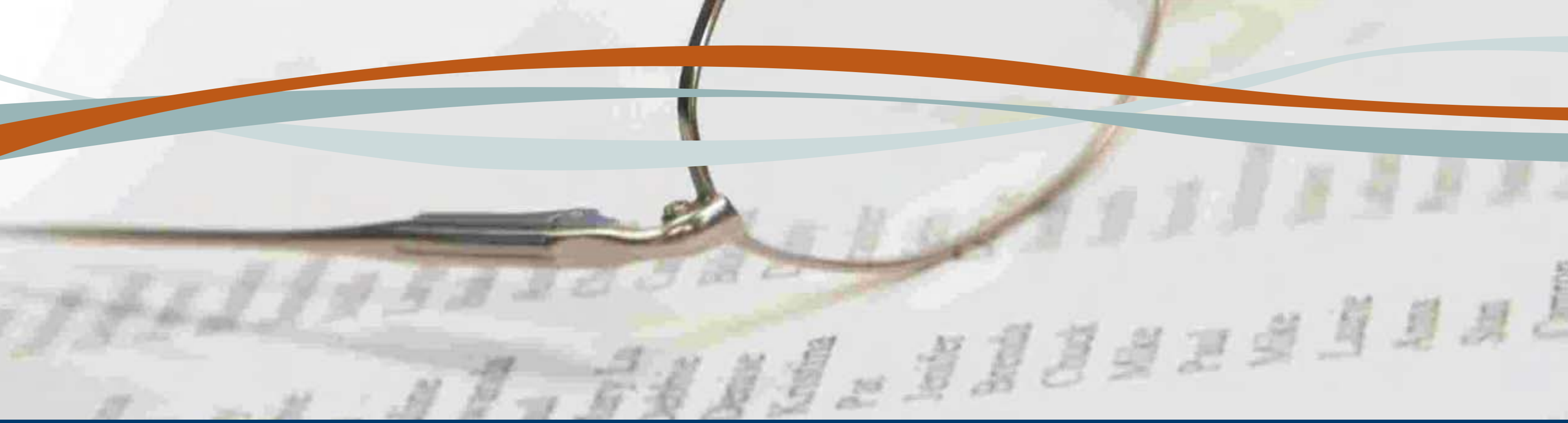
The FCA defines *knowing* broadly to include the submission of a claim in a "reckless disregard" of the truth or falsity of the claim. This language is intended to prevent the submission of a claim in "deliberate ignorance" of its propriety. To an employee of a healthcare organization, this might occur in situations where managers refuse to explore a credible concern about the compliance requirements for a particular bill, claim or practice.

The FCA applies to providers, beneficiaries, and health plans doing business with the federal government, billing companies, contractors, and other persons or entities connected with the submission of claims to the government.

Organizations can't afford to leave billing compliance to chance with the high stakes involved in FCA lawsuits, penalties and fines, and Corporate Integrity Agreements.

As your billing provider and practice manager, CompONE can show you how to catch and avoid potential coding problems before they turn into multimillion-dollar liabilities. Our clients are encouraged to contact us if they have questions.

-- Charlie Prater, Chief Financial Officer, CompONE Services, Ltd.



CUSTOMER SERVICE

CompONE's Customer Service Department handles approximately 13,000 customer service calls each month. How? With state of-the-art technology and specialized, compassionate employees.

THE PEOPLE

Our employees are hired because they interact pleasantly with the public. Before they begin taking calls, all Customer Service employees are rigorously trained on the CompONE billing systems and on our proprietary software, such as "PaperBytes" and "Issue Tracker." They attend operational classes taught by CompONE trainers and attend mandatory compliance and HIPAA training annually.

And, the training doesn't stop there.

Employees maintain a continuing education track throughout their careers in this ever-changing industry. They work closely with CompONE staff members and are assigned to specific clients and their accounts-receivable staff and patients.

THE TECHNOLOGY

Online Medicaid and other payer resources are available to our Customer Service Representatives, empowering them to immediately assist callers. This information and training provides invaluable skills which facilitate collection of payment for our clients' services.

CompONE's Customer Service calls are recorded by "CallLog." This innovative technology records and digitizes calls and indexes each call to the patient's billing account. This allows us to quickly retrieve voice recordings and send them as requested to our clients for audit and quality-control purposes. We are one of the few revenue cycle management companies which utilize this technology.

Complaints are rare, relative to the Customer Service Department staff. Employees are trained for "one-call resolution." However CompONE has in place a complaint-resolution/escalation process, should the need arise. The team includes Team Leads, Customer Service Department Managers, Regional Directors, Vice President of Operations, and even our CEO. In many cases, information generated by our technology assists in settling disputes. Our preservation of the recorded call sent to the provider usually reconciles the situation.

Daily, monthly and annual reports are generated by our systems to identify trends and patterns. Adjustments are made to better serve our clients' patients. These reports include call volumes, hold times, talk times and times when our employees are not receiving incoming calls. The Customer Service Manager utilizes these reports to adjust staffing levels and work assignments.

Incoming patient calls are automatically routed to employees specifically trained in the client's specialty and/or geographic region. The majority of patients prefer to talk to a "live" person. However, callers are also able to contact the Customer Service Department by fax and/or e-mail.

The Department's primary goal is to answer patients' billing questions. The better a patient understands his or her bill, the more likely a patient is to pay. Also, we offer advice to patients when dealing with their insurance or healthcare payer regarding the clients' services and their coverage and payment.

The Customer Service Department provides information and service to our clients' patients in a way that answers their questions, resolves their issues, subsequently advances the collection of our clients' fees in a timely fashion and makes them happier.

CompONE's people believe this is a vital piece of the total package of our service to you, our client, and our clients' patients.

– Charity McMahon, Customer Service Manager

Can You Read Minds? We Can't.

In past issues of ONESource, I recommended you consider your current billing and practice management solution and how you could takes steps toward evaluating or changing it.

Now, what is the best way to maintain your selected solutions? Communication. It will keep all your work and your state-of-the-art solution running smoothly.

Lack of communication is the downfall of many relationships, such as the relationship between you and your billing and management solution. However, there is one major key to the effectiveness of communication: It must be timely.

For us, a communication breakdown may involve an unhappy client, and we don't know about it. The same scenario can happen between physicians and patients or between physicians and office/hospital staff. You cannot expect excellence unless you communicate your needs and interests.

As far as I've found, nobody can read minds.

We all have "issues" from time to time. These issues can be resolved, and resolving them can get you closer to maximizing your true potential.

A friend of mine, David Jakielo, gave me one of the best bits of advice regarding communication. I paraphrase, "Complaining to someone about a problem you have with someone else will not help solve the problem. Speak directly with the person affected and you will certainly make more progress toward resolving the conflict and, in turn, achieve your goals."

So, take charge, talk and communicate with those who can help you. I bet they will want to work with you because it's in the best interest of both of you. Don't forget, do it with the best intent and approach. Be nice about it and you will attract a lot more bees with honey than with vinegar.

– Chris Heimerl, Executive Director of Sales and Marketing, CompONE Services, Ltd.

Medical Malpractice: The First Stage

Medical malpractice is an ever-growing field for trial lawyers looking to make a buck. With state malpractice caps either being raised or declared unconstitutional, the pool of available money grows ever larger.

As a doctor who has received that ominous letter with the neverending list of names in the left-hand column and subsequently, over a four-year period, went through the entire medical malpractice case process including a weeklong trial with a nonguilty verdict, I feel well equipped to aid others with the ins and outs of medical malpractice from the medical defendant's point of view.

Without getting into the details of my particular case, it is fair to say that most malpractice cases begin with an "unexpected" patient event that is then used to try and recover damages. The plaintiff's attorney, eager to collect 30 to 40 percent of a settlement or jury verdict, is willing to take on cases brought to him/her on contingency. The attorney will usually take on the case regardless of how strong he or she feels it is.

Sometimes simply filing the case has the medical defendants, be it a physician, nurse or hospital, breaking into a sweaty panic, resulting in an offer to settle just to calm the nerves. As a result, the plaintiff's attorney feels that for the return on the initial investment, it never hurts to file, since it might result in a nice payout with relatively little work.

Let's get back to the unexpected event. Can one stop the legal juggernaut from proceeding at this point? Honestly, it is hard to say. Insurance companies have spent millions researching the most effective ways to handle events brought to their attention by the party they represent.

If you are lucky enough to have a proactive carrier that engages the patient, you decrease the likelihood of a case moving forward, but there is no guarantee. The take home message with your insurance provider is that if you feel something unexpected occurred with the patient, you must let them know immediately, and they will then review it and take the appropriate action. You pay a lot of money in premiums each year, so make use of their experts when possible.

What is an "unexpected event?"

You can make up your own definition to this question, but I tend to think that whatever a patient or patient's family felt is "not likely" to happen, is unexpected. What does "not likely" mean? It can mean anything:

- My nose was supposed to look like the picture and it doesn't.
- My husband can't move his diaphragm after open-heart surgery.
- My baby has health problems.
- I have cancer.
- I had a heart attack.
- I had recall during surgery.

I, I, I, my, my, my, it goes on and on and on. Anyone can and will file a malpractice case for anything. Looking at it this way demonstrates that it doesn't matter where you fall on the health care provider spectrum. You should always practice defensively and in a manner that not only minimizes your chance of being sued, but also helps bolster your defense if you are sued.

On the defense

Defensive medicine is like defensive driving. Never assume the other party is going to stop at the light, and never assume that the pattern in which you have practiced for years without a suit will act as an impenetrable shield for any future suit.

It does not matter if you are a primary care physician, specialist, nurse or hospital; excellent documentation is the backbone of defensive medicine. I cannot stress that enough. Defensive medicine is not ordering every test or procedure known to man. Excellent documentation is the backbone of defensive medicine.

Document not only what you did, but also why you did it and what you were thinking at the time. Yes, the plaintiff's attorney will try to make you look like a bumbling fool and tell you what you should or should not have done. By documenting what your thought process was at the time, you prevent your actions or lack of action from being used against you.

We can all think of countless times a nurse has called regarding a patient issue and then writes in the nursing chart "'Dr. X aware," when the nurse should have written, "I'm not sure if this has any clinical significance whatsoever, but if anything ''not likely' to occur happens at least I'm covered."

Don't get me wrong; I'm not faulting the nurse for making you aware, that is his or her job. My point is that from the comfort of your bed or office, it becomes more difficult to get across to a jury exactly what you were thinking at a particular time unless it is documented.

Our nurse in this situation will document his or her perception of what you said. It is my practice to have a nurse read back notes of our conversation and document that it was read back to me. Verbal orders are almost always read back; notes almost never.

When caring for a patient, I cannot stress enough the importance of reading everyone's notes pertaining to the case. You will routinely find an inconsistency with other health care professionals' perceptions of events pertaining to your patient.

Remember, the patient' record is shown and read to the jury or thrown in your face over and over again, either at trial or in a deposition. Make a point to always set the record straight. Was your patient sleepy or somnolent, agitated or hypoxic, hypertensive or in pain? The list goes on and on, and a jury only knows what a plaintiff's attorney and/or experts tell them.

However, even the greatest care and documentation still may not be enough to prevent a lawsuit. Once the case is filed, there are crucial next steps that must be taken to maintain the edge gained after the documentation phase. This discovery stage is where the plaintiff and defense have a chance to test the strength of the cases by taking depositions and submitting evidence to be used at trial.

During this stage, the defendants in a malpractice case usually feel that no news is good news. It is impossible to know what is going on behind the scenes and what your crucial next steps should be.

– Myles Gart, MD, MMM is a practicing, board certified anesthesiologist in Omaha, Neb. He received his MD from Creighton University and his MMM from Tulane University.

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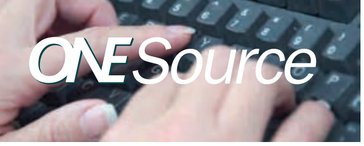

ChartBytes

the best low cost solution to providing an electronic medical chart system

CompONE helps physician groups overcome the ever-evolving technology challenges they face, providing them with cost effective, fully supported, best-of-class systems for document management, practice management, and electronic medical records (EMR) solutions.

ChartBytes™ has a host of functionalities addressing the needs and concerns of today's physician practices, while improving clinical quality and creating operational efficiencies. Physicians can focus on treating patients without having to deal with system maintenance or upgrade issues.

This lower-cost alternative for a Total Practice Document Solution is made possible by integrating with Laserfiche® for document management and Misys Healthcare for practice management through a subscriber leasing program.

Our technology provides physician groups with a simple and cost-effective alternative for converting from paper to an electronic healthcare delivery system. We remove the obstacles to adoption of an electronic solution and the need for internal IT and underlying infrastructure by providing the resources and/or infrastructure to support self-hosted or CompONE hosted applications.

ChartBytes™ is a document-management solution developed with the physician's entire office in mind. It integrates three essential components of patient record management: practice management, document management and electronic medical records which improve clinical and financial workflows in the office as well as to the bottom line.

Our solution allows practices of any size and specialty the ability to create or complement an Electronic Health Record by utilizing three components: Scheduler, Electronic Encounter Form (SuperBill) and the File Room.

- **Scheduler** can work with the practice's existing scheduling system to coordinate scheduling and the flow of patients in the office. Patient records can be accessed directly from Scheduler.
- The **Electronic Encounter Form** allows a physician to work as they do now. Patient encounter documentation can be instantly captured electronically, while allowing for simultaneous access to the patient record. This customizable encounter form gives more flexibility than paper at a fraction of the cost.
- **File Room** is just that, only better. All of the practice charts are available 24/7. They can be accessed from anywhere by the physician with a computer and a high-speed Internet connection. The chart is readily accessible, whether from multiple offices, the hospital or home.

One client states, "It was easy to customize ChartBytes into a version of our medical records that is familiar to our physicians and support staff. With ChartBytes, the medical record is accessible at all times. As medical records are scanned, more space becomes available in our office for other vital office records, providing even more space and quick access."

Keeping up with charge documents, copies of insurance cards, EOBs, correspondence and patient records is time consuming and expensive.ChartBytes' indexing and workflow capabilities work with the flow of the office to allow for greater control and the elimination of waste.

"Our goal is to make the business and operations side of medicine function better. If medical professionals don't have to focus on that piece, they have more time to spend on their patients and provide better patient care," states J. Paul O'Haro, CompONE President/CEO.

CompONE's client base is predominantly physician groups – about 1,300 across the U.S. But the nation's fifth largest hospice provider is also a client.

"We've been able to go beyond billing services to offer technical platforms that allow us to do more for our clients," said Rex Power, CompONE Vice President of Information Services. "A lot of the physician groups don't have the expertise in house for the newest technologies coming out, and we can fill that void for them."

By minimizing change, ChartBytes™ greatly reduces time, effort and costs normally associated with implementing most EHR systems. ChartBytes limits your paper, not your profits. Isn't it time your practice went paperless?

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