



“Dentists are more likely to keep accurate records and submit truthful claims when they know an audit may be lurking than if they assume their dental practice will never fall victim to an audit.”

When hit with an audit, the dentist will most likely be notified of the audit by letter, however the third party payer may make contact with the dental practice by telephone. When a call takes place, a day and time for the audit will be arranged, and the dentist should ascertain what type of audit will be conducted. It is also advisable to ask why the audit is being performed. The answer may be that it was simply a random selection, but a dentist should make certain it was not because of a claim that was flagged as abnormal.

When auditing the dental practice, the insurance plan will send representatives to the practice to ensure that billing claims match documentation in patient files. Auditors will analyze whether amounts paid to the practice were for an actual member of their insurance plan, and if services rendered were provided according to treatment plans and in accord with federal law. Auditors may also analyze patient files, review medical and dental histories, documentation of oral examinations, treatment notes, diagnosis, procedures completed and outcomes, and follow-up care. Documentation supporting claims may be requested. Problems encountered during audits are most likely to be caused by improper documentation of records rather than by fraudulent billings. The dentist is typically without recourse if records in the patient file do not match up with the claims billed.

Various state laws and the HIPAA (Health Insurance Portability and Accountability Act) Privacy Rule permit third party payers to access and review the health records of their own members. However, they are no longer permitted to access the records of patients who are not enrolled in their plans. Third party payers may also assess the quality of the facility, the maintenance of equipment, the level of difficulty patients encounter in obtaining appointments, and the level of compliance with federal regulations. It is prudent that the dentist remains with the auditor at all times. Clear the calendar on the day of the audit and stay with the auditor as patient and billing records are reviewed. Also, the staff of the dental practice should be prepared for the audit, and the dentist should discuss the procedures to be followed prior to the day it is conducted.

Since dental audits are becoming more routine, dentists must protect their practice by preparing for an audit. To prevent audit problems, dentists should be aware of the terms of third party contracts, keep plan manuals in a safe place for easy reference, ensure procedures performed match what is billed, and ensure patient records are organized and contain all relevant information. Also, when claims are filed online, ensure that the correct price is sent to the third party insurer. With a more thorough understanding of third party audits and the motivation for conducting them, dentists will be more likely to avoid costly mistakes.

Mr. Oberman to lecture at Boston University

Stuart J. Oberman has been invited to lecture at Boston University Henry R. Goldman School of Dental Medicine. He will be presenting a continuing education course entitled "How to Prevent Fraud in the Dental Office" on June 27, 2011. The full day course will provide continuing education credits for the university's dental students, and will outline signs that employee embezzlement is taking place and how the owner of a dental practice can conduct an internal investigation and prevent fraud.

Pierre Fauchard Academy to Host Stuart Oberman

Stuart J. Oberman has been invited to lecture at the Pierre Fauchard Academy on February 4, 2011. The Pierre Fauchard Academy is an honorary dental service organization founded in 1936. For more information on this organization, go to www.fauchard.org.

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Dental Practice Audits

Dental audits were rare at one time. Now, with insurance companies and third party payers auditing more routinely, it is likely that a dental practice will fall victim to an audit. Most dental practices that are contracted with dental plans are audited at least once during the course of their practice. Many of these dentists are left wondering why audits are becoming a more routine exercise of third party payers. The answer: alarming statistics. The Federal Bureau of Investigation estimates that ten percent (10%) of the money expended on health care is due to fraudulent activity. Insurance companies estimate that fraudulent health care billing represents up to \$10 billion each year.

In addition, Medicare fraud is becoming more rampant. The United States General Accounting Office estimated that out of every \$7 spent on Medicare, \$1 is lost to Medicare fraud. Fraud is adding enormous costs to the nation's health care system. As more fraudulent charges rack up for insurance companies to pay, they are becoming serious about auditing health care practices. With a thorough understanding of the audit process, dentists will be better prepared for what appears to be the inevitable.

After receiving notice of an impending audit, dentists often wonder why their practice has been targeted. Generally the audits are a method of showing state regulators that the patients are receiving quality care. A third party payer is an organization other than the patient (which would be the first party) or health care provider (the second party) involved in the financing of health care services. The audits are typically meant to check the status of a dental plan and are not meant to be a check on the specific dental practice.

The selection process third parties undertake to audit a dental practice varies. Third parties may randomly pick dental practices on the basis of how likely the practice is to have discrepancies once audited. The third party's goal is to recoup lost dollars, and so this strategy is chosen to allow a third party to obtain the largest return.

A dental practice is most likely to be audited after submitting atypical claims online. Each claim submitted is analyzed by a third party payer. The auditors flag abnormal or atypical charges, as these may suggest provider abuse. Additionally, third parties track information on practice charges by analyzing the average cost per claim, average cost per person, and how often certain treatments are performed. With this information, the third parties target specific dental practices for an audit.

Auditors typically share common goals. By conducting audits, third party payers are attempting to prevent abuse of the payment system. By performing audits, dentists are forced to understand the importance of keeping records and submitting only honest and accurate claims. Also, dentists are more likely to keep accurate records and submit truthful claims when they know an audit may be lurking than if they assume their dental practice will never fall victim to an audit. A second goal ties in with the first, and that is to help dentists understand and follow the third party payer's guidelines.

Finally, the auditors are trying to find instances of overpayments to dental practitioners for claims the dental practice has submitted.

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