Request for bill audit and review

About Bill Audit Companies:

The concept of bill auditing has been around since the existence of U.S. private healthcare billing by medical providers. There are many companies today who offer this service at varying levels of depth and sophistication. The most comprehensive would of necessity require a complete analysis and breakdown of virtually a minute by minute investigation of care rendered to a patient. This would be especially true in an ICU environment, and perhaps somewhat less exhaustive in a regular care environment. Very simply, for a true audit to be valid, the detailed nursing charts are required, and correlated to the exact administration of drugs, services and ancillary care, as billed for.

In addition to this, a retrospective medical opinion is often provided as to the need and/or necessity for the already supplied levels of care, procedures, operative intervention and other services. Lastly, a typical audit service, provides an analysis of a cost to charge ratio as levied by a particular provider, a comparison with peers in all of :- the area where service was rendered, the city, the state and lastly nationwide. The audit then offers a suggestion of what the payer, invariably an Insurance Company, should offer to pay the provider of medical service on a specific bill. The charge levied by audit Companies for this service varies from case to case, and depends on the complexity and depth of investigation. It is not uncommon for the audit companies charge to be between $5000 and $10000 and even higher, for a written report that varies between 1 and 50 pages of information which is generally of very limited, or indeed of no value.

The Reality of bill audits:

The task of correlating exact care to charge on a retrospective basis, is indeed ominous, if not impossible. Very often, charges that are inputted by an individual department within a hospital, do not correlate with the exact date of usage. For example, an ICU nurse might only take stock of drugs utilized every third day, and consequently input the inventory of those consumables used, in this cyclical way. Each hospital department (of which there are 60 or more individual departments) generally has up to five days to input all charges. This accounts for the need of a hospital bill to *"final and drop"* before considered as the complete billed charges. Even then, this process inherent in hospital billing procedures, accounts for the very common occurrence of subsequent billing appearing with 'late charges," and an increase in a total billed amount from the original bill. These then are some reasons why the date of a charge might disaccord between actual date of utilization, and charge date.

There are numerous cases on record where a bill auditor, medically trained or otherwise, might cast an aspersion on a provider, for administering a given drug on a date as billed for, and for which the quantity is sufficient to have caused death to the patient. For this, and a multitude of other reasons, a true attempt of accurate "charge to use" correlation, is fraught with pitfalls.

Retrospective medical assessment of medical need, necessity of procedures, insertion of implants, and the like, even if conducted by highly skilled qualified professionals, have rarely held up in judicial forums. There are very few circumstances where an attending doctor, faced with a real time critical emergency, executing his best judgment and skill under emergency conditions, can be successfully subjected to being criticized by an Insurance Company Doctor, or other paid entity, six months after the event, working off paper, rather than being faced with the real live situation. Obviously this foregoing comment would not apply to known situations of repeated unprofessional conduct by both Physicians and Hospitals alike. In the very vast majority of heard cases however, Courts will rule in favor of an **attending doctor** rather than the person leveling such post event criticisms.

Hospitals and medical providers in the US are not governed by any rules or regulations of what they can charge, or what their cost to charge ratio ***has to be*****.** In simple terms, a U.S. medical provider can charge what they want. An audit company providing commentary that a specific provider charges $10 for a 3c Aspirin, offers no comfort nor is it of any value, other than to say: *"this is an expensive hospital."* This would be analogous to purchasing a car for $20,000, telling the Dealer his cost was $8,000, and therefore he should only charge $10,000. This is the reality of medical charges in the US, and which applies not only to international patients, but to US Domestic patients insured under US Domestic Insurance programs.

The amount *suggested* as being a reimbursement on any given case, by an audit company, remains merely that: ***"a suggestion".*** Thus for example a $100,000 bill subjected to an audit, might have an audit report *recommending* a reimbursement of $25,000. Payment in the sum of $25,000 by the payor, gives no guarantee that this will be accepted by the provider, irrespective if acting on the advice of a bill audit company. In fact, hospitals invariably, when being subjected to an audit of this nature, conduct their own internal audit. In my experience, and almost without fail, the hospitals internal audit process finds items that were initially overlooked and not billed for, with the consequent **increase** in the value of the original billed amount..

In a very recent landmark case of a well known Cost Containment Company utilizing the ancillary services of a bill audit entity providing audit services of the nature as detailed above, the hospital provider sued both the Cost Containment Company, and the bill audit company. This case which remains ongoing for other reasons, and currently still in the Courts, has taken an interesting turn whereby the Cost Containment Company, is now suing the bill audit company, claiming that it relied on their opinion and suggestion for an appropriate quantum of settlement of the bill.

About our process:

As a reputable Cost Containment Company, our services ***automatically*** incorporate an overview of the bill. Interestingly, most relevant information can be obtained from the summary UB-4. The numerous codes, level of charges, knowledge of the specific hospital, and a multitude of other factors provide all of what is needed, without the rigmarole offered through the wastage of time, effort and cost involved in bill auditing. In fact, numerous computer programs are available, each touted as being more comprehensive than the next in the evaluation of a hospitals billings. Our overall assessment leads us to the conclusion of a settlement which is fair and equitable for a provider to have charged, and which is conversely, fair and reasonable for a payer to expect to pay for the services rendered.

We are confident, supported by history and our industry reputation, that we obtain results in keeping with our unique customized ability to provide all of:

1. The best net result in the industry, based on fairness to payer and fairness to the provider.
2. Reproducibility, and with the welcome return of persons insured under the same policy of insurance back to this, or indeed, any given facility we are associated with.
3. The complete and total elimination of any specter of deferred liability to either the patient or the Insurance Company.

   The above three criteria, are of necessity inextricably entwined one with the other, and cannot be viewed in isolation or individually in the attainment of a favorable financial outcome.

Colin Plotkin
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