

## New False Claims Act Amendments Impact Health Care Entities

By: *Catherine Sicker, Corporate Compliance Officer*

If you submit claims to Medicare, you need to be aware that on May 20, 2009, President Obama signed into law the Fraud Enforcement and Recovery Act of 2009 (FERA) which includes significant amendments to the civil False Claims Act (FCA), the government’s primary tool to recover damages for fraud involving government funds. These are the first major amendments of the FCA since 1986.

The passage of FERA appears to have been motivated by the government’s concern about the potential for fraud by financial institutions and other entities participating in the Troubled Assets Relief Program (TARP). However, these amendments will also have substantial impact on healthcare providers. The FCA is the primary enforcement tool used by the federal government to prosecute and sanction fraud in the health care industry. It allows individual “whistleblowers” (*qui tam relators*) to bring suits on behalf of the United States for allegations that

government programs have been defrauded.

The amendments:

- **Extend liability for retention of overpayments** - Providers are now liable under the FCA if they keep any overpayment of government funds, where in the past the FCA required some affirmative action to conceal, avoid, or decrease a repayment obligation.
- **Expand the definition of what constitutes materiality** - FCA liability will now depend on whether the false record or statement was “material” to getting a false claim paid or approved.

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## 16th-Annual Black River Golf Outing

By: *Brad Daugstrup, Vice President, A/R Services*

Quadax took the cup at the 16<sup>th</sup> Annual Black River golf outing, held July 17th at the Sweetbriar Golf Course in Avon Lake, OH. After waiting out in the rain on the fifteenth hole, the



“Quadax Duffers” won the four-man scramble with eight under par. Representing Quadax were Brad Daugstrup, Gene Calai, Jason Crane, and Derrick Heindel.

The Black River Golf outing is an event that Quadax looks forward to every year. The event consists of an 18-hole scramble, lunch at the turn, and a prize for all participants. Black River is a third-party computer support company that has been supporting Quadax CPU’s, servers, and printers since 1992. They specialize in support for Hewlett-Packard equipment, which has been a mainstay for the Quadax processing center since our inception in 1973.

Special thanks to Bill McChesney, Don Soukup, and Gary Reimer of Black River Computer for their generosity in hosting this annual event. A good time was had by all. ♦

*The “Quadax Duffers” from left: Derrick Heindel, Brad Daugstrup, Jason Crane, and Gene Calai*

## Accepting Credit Card Payments: Boon or Bust for Healthcare Practices?

By: Candace Wintering, Manager, Technical Communication

The American Medical News noted a surprising trend in the acceptance of credit card payments for healthcare services. While consumers increasingly rely on credit cards (and debit cards) for most transactions, the number of medical practices that accept electronic payments is declining. Credit card company fees are a small percentage of each transaction, and many practices, which may already have slim profit margins, conclude that the additional costs are not worth it.

Practice management experts disagree. Data indicates that practices that accept credit cards actually realize more money than those that do not. The cost of patient billing, mailings, bounced checks (an increasing problem in this economy), and related paperwork was greater than the credit card fees.

Credit card payments, specifically online payments, also greatly reduce the amount of time spent in billing patients. With traditional paper statements and payment methods, the period between billing and payment can be 10 days. Online credit card payments significantly speed up this

process, reducing this interval to as few as 24 hours. Online credit card payment options also encourage patients to pay their bills sooner and at times convenient for them, rather than just during standard business hours.

Quadax clients using HARP A/R management services have the option to accept credit card payments online directly from patients and client accounts through [www.MyDrBill.com](http://www.MyDrBill.com) or [www.MyLabBill.com](http://www.MyLabBill.com). (See article in May 2009 newsletter). A recently implemented process provides a very cost-effective method for posting the payments to individual patient accounts. Quadax receives a file of all credit card payments, similar to a remittance advice, from our payment gateway vendor. The credit card payment posting process in HARP automatically posts the amounts in the file to the relevant patient accounts. This streamlined process eliminates the time, expense, and potential errors in manual payment posting.

To learn more about setting up online payments and automatic posting for your practice, contact your Quadax account representative. ♦

*False Claims Act Amendment (Continued from page 1)*

- **Change presentment of claims directly to government** - The amendment specifies that liability would attach to any claim submitted to intermediaries (including Medicare and Medicaid contractors) "if the money or property is to be spent or used on the Government's behalf or to advance a Government program or interest."
- **Extend the government's statute of limitations** - The FCA's statute of limitations is six years or three years from the date the government learns the material facts, up to 10 years after the date of the alleged fraud. Though these limitations still apply, once a complaint has been filed and is not dismissed, the statute of limitations does not apply to the government.
- **Expand the use of Civil Investigative Demands (CID)** - The amended FCA allows the attorney general to appoint a designee to issue the CID, and the information gained may be shared with the qui tam

relators, their counsel, other government investigators, auditors, consultants, experts, and others.

- **Revise anti-retaliation provision** - The retaliation prohibition is expanded from employees to include contractors and agents of the company alleged to have defrauded the government.

The enlarged scope of liability under the FCA may cause an increase in FCA claims filed against health care entities by qui tam relators and their contractors and directly by the government. These amendments have also improved the government's investigative powers and ability to establish liability under the FCA.

A health care provider's best defense is to maintain a proactive compliance program to identify and address suspicious claims, promptly correct inadvertently false claims, quickly return overpayments, and listen to the compliance concerns of your employees and your contractors/vendors. ♦

## Denial Management<sup>x</sup> Workflow – Tools for Effectively Managing Your Denials

By: Pat Blech, EDI Project Manager

Providers have long struggled with managing the increasing volume of denials within their organizations. Issues inherent in this struggle include accurate and timely identification and routing of incoming denials, managing denial inventory to ensure timely response, and collecting data for denial analysis. While mainframe systems may help provide insight into zero payments and denial write-offs, they are often limited in their ability to effectively categorize denials for analysis purposes, route denials quickly to specific follow-up staff, and provide clear visibility to the subset of aging denial inventory.

In response to this need, Quadax has been working to design new functionality that helps our clients better manage denials. At this year's user conference, Quadax introduced the first of three new Denial Management<sup>x</sup> (DM<sup>x</sup>) modules - *DM<sup>x</sup> Basic Reporting*. Providers who have begun using this module are reporting that the data generated by the *DM<sup>x</sup> Basic Reporting* module has been an eye-opener on the true volume of denials hitting their organization.

Now that the volume of denials is clearly visible, providers are looking for ways to more effectively organize and follow up on this population of denied accounts. Quadax has been working with a core set of client beta partners to refine the second DM<sup>x</sup> module and is proud to announce the upcoming roll-out of the *DM<sup>x</sup> Workflow* module.

### Introducing DM<sup>x</sup> Workflow Module:

*DM<sup>x</sup> Workflow* is designed to give you the tools you need to:

- Quickly identify both full denials and line item (partial) denials
- Automatically route those denials based on payer/denial type/total charges, etc. to the appropriate follow-up staff based on customized rules for your organization

- Provide easy access to key working documents in one system (denied EOB, 835 info report, and originally submitted claim)
- Monitor denied inventory to ensure that your staff is responding to payer denial in a timely fashion

### Denial Identification:

When we first sat down with our client beta partners to talk about how denials were currently identified for follow-up, we began recognizing the following trends across the provider base:

- Notification of the denial for follow-up was generally dependent on the remit file being posted into the mainframe system. This dependency could result in delays of up to two weeks for follow-up staff to commence initial follow-up activity.



*Denial Management<sup>x</sup> by Quadax is one part of XpeditoR XTENSIONS—the premier system for better bottom-line results in your healthcare business office.*

- Denials were generally not tagged in a way that classified them into different follow-up groupings; follow-up staff had to individually look at each denial to determine what type of follow-up work was needed.

- Some providers could generate a daily list of denials for distribution amongst their follow-up staff, but did not have the ability to make this list cumulative to show the denials that had not yet been worked from prior days. If the denial was not worked off the daily denial list, follow-up staff would probably not work the account until it hit a critical aging bucket and appeared on another report (i.e., ATB).
- In almost all cases, there was no automated process in place to identify line item (partial) denials. Generally follow-up staff was combing manually through paid sections of remits to identify cases of line item denials or finding them at a later date buried on their ATBs with an active insurance balance remaining.

Quadax took all these findings into consideration when developing the *DM<sup>x</sup> Workflow* module.

- Denial notification is no longer dependent on cash posting; the 835 denial is available immediately in workflow when it is received by Quadax.

*Denial Management Workflow (Continued from page 3)*

- Denials are also automatically categorized using broad error categories (eligibility, authorization, coding, etc.) so that providers can use this information for more effective routing and organizing of follow-up work.
- All denials stay on views (work lists) until work has been completed to respond appropriately to the denial.
- Most notably, *DM<sup>x</sup> Workflow* automatically identifies line item denials and allows providers to choose whether they would like them worked in aggregate along with full denials or have them segregated out to be worked by a specialized variance team.

### Denial Routing:

Our beta partners ranged significantly in their preference on routing denials within the organization. Some partners preferred a more traditional approach and chose to split follow-up work by payer exclusively within the business office. Others preferred to route work automatically to different departments of the organization and push the follow-up on a denial closer to its point of origin.

Quadax recognized through this feedback that flexibility was critical. As a result, *DM<sup>x</sup> Workflow* has been designed to incorporate information from additional fields (that are not part of standard claim data) to be used as criteria in the work list rule building engine. We have enhanced the Advanced Workflow interface to include fields such as EOB payer, denial error category, denial error, department, financial class, and plan code that can all be used as criteria for automatically assigning workflow statuses and ultimately setting up customized views for different follow-up areas.

Once views have been set up, providers have the ability to set a default order to group all denial types together by payer to maximize efficiency of the follow-up work. For example, a view can be default ordered to display all eligibility denials together, all authorization denials together, all coding denials together, etc. so that the per-

son working the denials does not continually have to switch from one denial type to the next and can more efficiently approach the workload for the day.

### Easy Access to Source Documents:

A key piece of feedback that we received from beta partners was that they needed easy access to the denial source documents, primarily the denied EOB housed within one system. Quadax has redesigned the Selector interface for *DM<sup>x</sup> Workflow* to provide quick access to the EOB and/or 835 info report for line item details through a link in the title bar. All key source data is

now maintained within one consolidated system to further increase the efficiency of follow-up staff.

### Management Inventory Reporting:

Monitoring the inventory of open denials was expressed by many of our client beta partners as a challenge. Denials generally were buried within ATB reports, and there were no further tools available to make denials and their associated denial aging easily visible for monitoring purposes.

Quadax has specifically designed expanded management reporting tools within the *DM<sup>x</sup> Workflow* module so that providers can easily see where their active denial inventory is sitting

and how old it is from the original date of denial. This reporting is intended to increase the visibility of the organization's denial inventory, specifically as it relates to monitoring specific payer deadlines for denial response.

### Release of *DM<sup>x</sup> Workflow* Module:

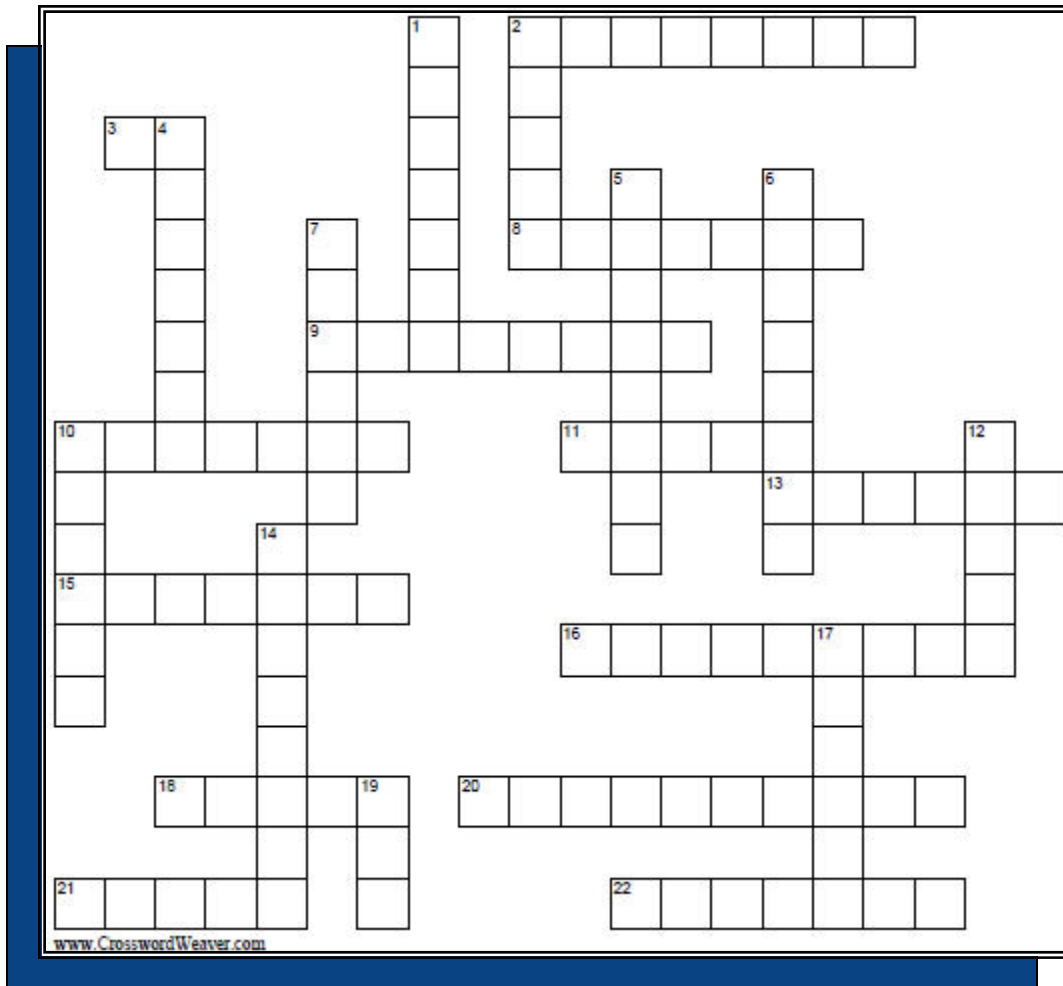
Quadax is still in active beta testing for the *DM<sup>x</sup> Workflow* module and is anticipating an initial release date in the fall of this year. ♦

*To learn more about *DM<sup>x</sup> Workflow* module by Quadax, contact Kerry Elledge.*



## Healthcare (HC) Today

*Submitted by: Chuck Parker, EDI Systems*



### Across:

2. A lot more than a billion
3. You can go to one of these Hospitals, but only if you have fought for it
8. Opposite of bigger; hopefully what our insurance premiums will soon be
9. A potential new insurance you may have to deal with
10. What everyone is striving toward in HC
11. Laws that must be adhered to in the industry
13. Reshaping HC in this country
15. The ones who should be making the decisions about your healthcare
16. Could make or break the new Healthcare bill (Hyphenated); they have nothing to do with Blues Clues
18. Trying to solve our Healthcare problems
20. Most controversial topic on the Hill today
21. A group trying to pass HC legislation; a fanatical doctor on TV
22. Lots of people who will need HC soon; Big sounds

### Down:

1. We're trying to avoid this in HC; shortfall
2. We don't need more of these, but the IRS wouldn't mind
4. Place where we still have the best HC, we just need it to be more affordable; North
5. What we all need and what the government will be doing AFTER passing HC legislation
6. Started in 1966, but could change into something else
7. An enemy of Julius Caesar and another group making decisions about HC legislation
10. Who will help you get your claims to whatever entity that will pay them?
12. What the DEA is always looking for and what you can't afford anymore
14. Your roof does this on your house, and hopefully everyone will have this in HC soon
17. Going fishing, did you bring \_\_\_\_? Also, what is going on in Congress about HC
19. Approves of many of the changes being talked about in HC; a doctor group



fresh design.  
*networking*  
 EASY NAVIGATION  
 helpful resources.

*You asked for it.  
 You got it!*

## Community Forum on the New EDI Portal

Our EDI clients have asked us to provide a way to network and exchange ideas with other Xpeditor users. We listened and created the Community Forum, a message board on the Portal that allows Xpeditor users to contribute to different conversations about topics relevant to their business office, such as Xpeditor edit changes, Remittance Management functionality, RAC Audit Issues, and more.

***Join the conversation!***

The screenshot shows the Quadax website's navigation menu with tabs for SUPPORT, REPORTS, DOCUMENTATION, APPLICATIONS, COMMUNITY, SETTINGS, and SHOP. The 'COMMUNITY' tab is active, displaying a 'Forums' section with a decorative header image of cucumbers. Below the header are two tables listing forum topics.

Quadax Products					
Name	Last Post	Total Threads	Total Posts	Total Views	
<a href="#">Xpeditor</a>					
Discussions about Xpeditor	8/18/2009 1:44:55 PM	12	24	396	
<a href="#">1500 Edit</a>					
Discussions about 1500 Edit	8/13/2009 9:11:43 AM	25	30	340	
<a href="#">US Edit</a>					
Discussions about US Edit	8/19/2009 6:54:43 AM	42	49	652	
<a href="#">Remittance</a>					
Discussions about Remittance	8/5/2009 9:28:52 AM	19	22	672	
<a href="#">Eligibility</a>					
Discussions about Eligibility	8/16/2009 2:39:30 PM	1	1	32	
<a href="#">Claim Status</a>					
Discussions about Claim Status	8/16/2009 2:01:10 PM	1	1	20	
<a href="#">Denial Management</a>					
Discussions about Denial Management	8/14/2009 9:07:10 AM	8	8	213	
<a href="#">ARL - Audit Control</a>					
Discussions about Medicare RAC and the ARL Audit Control program	8/14/2009 11:47:25 AM	4	4	53	

Quadax Resources					
Name	Last Post	Total Threads	Total Posts	Total Views	
<a href="#">Use and Combine Xpeditor Updates</a>					
Review current and future Xpeditor release date and notes	7/10/2009 11:08:39 AM	2	5	93	
<a href="#">FAQ</a>					
Frequently asked questions	6/9/2009 1:58:34 PM	1	1	29	
<a href="#">Technical Assistance</a>					
Get Technical Assistance from a Quadax Representative	7/7/2009 2:38:53 PM	1	2	36	
<a href="#">Information Requests</a>					
Ask questions about Quadax Products	8/10/2009 12:59:47 PM	3	8	153	



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