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How Can We Help?

Our Firm provides a broad range of services for medical practitioners, including:

- ✚ Accounting and Financial Management
- ✚ Tax Services
- ✚ Internal Accounting Controls
- ✚ Government and Third-party Payer Regulations
- ✚ Practice Management Consulting
- ✚ Practice Development
- ✚ Office Automation Consulting
- ✚ Personal Financial and Estate Planning
- ✚ Practice Valuation
- ✚ Financial Consulting

Questions or concerns about the topics covered in our Summer 2014 Medical News Brief? Please feel free to contact us at:

info@swcllp.com

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PERSPECTIVES ON MEDICAL PRACTICE MANAGEMENT

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Are You Undercoding for Fear of Being Audited?

A recent review of 60,000 audits of physician billing records found that 37% of the records were undercoded or underdocumented.* While lack of understanding of the coding requirements may be partly to blame, the fear of being audited is also believed to be a primary cause of undercoding.

The costs of undercoding can be significant and can negatively impact a practice's bottom line. What best practices can your office use to help ensure that you are not losing revenue to undercoding? Here are some ideas.

Evaluation & Management Services

Many practices routinely downcode evaluation and management (E/M) services. Practices that correctly bill for E/M services consider three important points before they code for an office visit:

- Is it the patient's first visit or has the patient been seen by the practice before?
- What level of patient history, physical examination, and medical decision making will be recorded?
- What is the correct CPT code for the documented care?

Within these elements, there are different levels related to the complexity of service that was required to diagnose and treat the patient.

Having good documentation of the patient visit is essential. Without it, coding at the correct level for the services that were provided is very difficult. Accurate and complete documentation also helps practices corroborate claims they submit to Medicare and insurance companies and can help satisfy queries raised by auditors.

Many electronic health record (EHR) systems provide templates and customizable prompts related to documentation and coding. Just be

aware, however, that some EHR templates are not always complete or accurate. It's always smart to review any templates before using them for coding in your practice. And be sure to review any EHR system you use to ensure it can include the contents of notes you provide when it chooses a code.

Stay Current With Coding Changes

You and your staff can stay current with coding practices by attending training courses. If taking time off from your practice is not an option, consider bringing an outside coding expert to your practice for an in-house seminar.

You may find it helpful to have an outside consultant conduct a thorough analysis of how your practice's services are being coded. This analysis may identify recurring issues with your coding that will enable you to put procedures in place to prevent those problems from reoccurring. A coding analysis might include:

- A review of your practice's forms
- A thorough examination of billing, data gathering, and other operational procedures
- A comparison of billing codes with the actual services that were provided
- A review of your practice's training in coding procedures

Accurate coding will ensure that your practice is correctly compensated for the full extent of the treatments provided to patients. We can help you identify various areas where streamlining operations can help your practice's bottom line. Please call.

* American Academy of Professional Coders, 2012

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Maximize the Impact of Your Website

First impressions count. When new patients walk into your practice, you want them to feel that it's well run, professional, and focused on outstanding patient care. That's the same impression they should get when they visit your practice's website.

An effective practice website:

- Provides an intuitive and easy-to-navigate format
- Offers practical information, such as the insurance and other payment methods you accept and your copay and billing policies
- Gives patients an opportunity to learn about the history and the medical philosophy of your practice

- Educates patients with content that focuses on the medical expertise of the practice's physicians, physician assistants, nurse practitioners, nurses, and other professional staff members
- Contains content that is regularly updated and relevant
- Permits patients to download forms prior to an office visit, saving time and improving your practice's efficiency
- Provides explanatory overviews of some common medical problems that your practice specializes in
- Links to other relevant official medical-related websites, such as the Centers for Disease Control and Prevention (cdc.gov) and the U.S. Department of Health and Human Services (hhs.gov).

Your website can be an important tool that helps highlight your practice's commitment to superior patient care. With a professional, well-organized website, your practice can project the qualities you believe define your way of practicing medicine.

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Does Your Practice Need Cyber Insurance?

Medical identity theft is becoming an increasingly common crime. Almost 1.84 million Americans have been affected by medical identity theft, costing them billions in out-of-pocket expenses, according to the 2013 Survey on Medical Identity Theft conducted by the Ponemon Institute and sponsored by the Medical Identity Fraud Alliance.

What's at Stake?

The issue should be of particular concern for medical practices. Above all else, medical identity theft is a quality-of-care issue since it corrupts medical records with erroneous information that can lead to incorrect diagnosis and treatment. It is also a financial issue. Fines for unauthorized access to and accidental releases of protected health information (PHI) under the Health Insurance Portability and Accountability Act (HIPAA) are significant and could adversely impact a practice's finances.

Limiting Potential Losses

What can medical practices do to limit their financial exposure to the unauthorized or accidental release of PHI? One step would be to look into buying insurance designed to protect your practice from the financial fallout from a data breach. Commonly referred

to as "cyber liability" insurance, this type of policy offers medical practices coverage that can include:

- Expenses incurred in investigating data breaches
- Patient notification and credit monitoring expenses
- Regulatory fines and penalties
- Data recovery costs
- Legal liability
- Cyber extortion
- Expenses related to restoring the practice's public reputation

Not every insurance carrier will offer the same coverage. Some carriers offer cyber liability insurance as a stand-alone option, while others offer it to existing policyholders at no additional charge. Check with your insurance provider for specifics.

Fines for unauthorized access to and accidental releases of protected health information (PHI) under HIPAA are significant and could adversely impact a practice's finances.

Check out what's new at www.swc11p.com

Medical Briefs

Employer Mandate Postponed

The one-year delay in the "employer mandate" provisions of the Patient Protection and Affordable Care Act -- until 2015 -- gives companies with 50 or more full-time equivalent employees more time to learn about the new health care law and how they're affected. The employer mandate imposes potential penalties and reporting requirements on businesses. The Administration stated that it had decided to delay enforcement of the provisions so that businesses would have additional time to come into compliance with the new coverage and reporting requirements.

EHR Incentive Money Is Income

The Office of Chief Counsel of the IRS has advised that whenever the Centers for Medicare and Medicaid Services (CMS) makes electronic health record incentive (EHRI) payments to a providing professional or hospital, those EHRI payments generally must be reported as gross income by the provider. Under a limited exception, a provider does not have to include the payment in gross income if the provider receives the payment as a mere conduit or agent of another entity -- such as a practice group -- and is therefore unable to keep the payment.

MAKING YOUR OFFICES SAFE FOR PATIENTS & STAFF

There are a variety of hazards in any workplace. Even the best-run medical practices may benefit from a thorough, top-down evaluation of their office layout and safety-related policies and procedures to help identify where the potential dangers are and how they can be remediated.

Assess your practice's work spaces for any of these hazards:

- Inadequate ventilation
- Poor lighting
- Blocked, incorrectly labeled, or non-working exits
- Fire hazards
- Furniture or equipment left in hazardous locations
- Unsafe chemical or medical waste storage

Simple Fixes

A close review of your practice's work spaces can help identify potential dangers. For example, mats should be provided on slippery surfaces, carpets should be inspected and replaced regularly, and electrical cords and wires should always be checked for wear and tear.

Regular maintenance of ventilation, lighting, and heating systems can create a safer office environment. Have a licensed

- Faulty equipment
- Insufficient or nonworking smoke and fire detectors
- Inadequate number of fire extinguishers

electrician check to ensure that all electrical equipment is grounded and correctly installed and that outlets are not overloaded. Make sure all exits are correctly labeled and well lit and that employees are provided with maps of exits and emergency escape routes.

A close review of your practice's work spaces can help identify potential dangers.

Information regarding the Occupational Safety and Health Administration's standards related to blood-borne pathogens and ionizing radiation is available at:

www.osha.gov

2014 RETIREMENT PLAN LIMITS

The maximum dollar limit on employee deferrals to 401(k), 403(b), and most 457 retirement plans for 2014 is \$17,500. For plan participants age 50 and older, the catch-up contribution limit remains at \$5,500. The maximum total amount of all contributions that can be made to a participant's defined contribution plan account is the lesser of his or her compensation or \$52,000 for 2014.

The maximum contribution to a traditional or Roth individual retirement account (IRA) for 2014 is the smaller of \$5,500 or taxable compensation. (The maximum Roth IRA contribution may be reduced depending on your income.) For IRA owners age 50 or older before the end of 2014, the \$5,500 limit is increased by \$1,000.

Compensation Top Concern for Physicians

According to the Medicus Firm's 2013 Physician Practice Preference Survey, only one third (32.8%) of physicians said they were satisfied with their compensation. The survey of 2,568 physicians also found that compensation issues are causing 27.8% of physicians to consider switching careers.