

Psychoanalyst Services



Here we go, our second junk email to clients. As before, the same rule applies: If you don't want to ever see one of these again, just let me know by responding to this message and I will make sure you do not.

The topic of the last junk email was the delay in the implementation of the ICD-10 diagnostic and treatment codes. (Did you miss it and want to see it? Email me and I will send it to you.) This junk email reports on a closely related topic, health care fraud, in particular as reported on in the Economist magazine's May 31st issue.

What you may or may not realize is that those CMS 1500 insurance forms which you love so much are the core of the entire United States health care system, the mighty conduit through which vast trillions of dollars flow from insurance companies and the Federal government to medical providers such as yourselves.

As you no doubt have noticed, the CMS 1500 form and the vast bureaucracy that processes them is a very flawed conduit indeed. Even if you fill in a form right, you may not get paid, and even if you fill the form wrong, you MAY get paid. Armies of low-paid clerks in vast Midwestern office buildings trudge through towering piles of these forms--4.5 million per day--attempting to figure out if a particular claim is valid. It's not a fun job: here is what one employee in the Indianapolis office of National Government Services, which handles Medicare claims from New England and several other regions of the country, reported on the Glassdoor Web site: "Want a stress-free and work/life balance life: do not work here!"

But for many people, the CMS 1500 form and the cumbersome bureaucracy behind it offer lovely opportunities. According to the Economist, medical embezzlement (using, of course, the CMS 1500 form) resulted in losses of somewhere between \$82 billion and \$272 billion in 2011, or about 10 percent of total United States medical spending of \$2.7 trillion. One doctor fraudulently billed \$24 million for 1,000 phantom powered wheelchairs, the Economist reports. Others charge for non-existent home visits for insulin injections or outdated HIV infusion therapies. Last month in Florida, ninety doctors, pharmacists, and elderly patients (who received kickbacks from the doctors and pharmacists for their cooperation) were arrested for submitting \$260 million in false billings to Medicare, according to The New York Times.

Astonishingly, health care fraud is becoming the crime of choice for many professionals, the Economist says:

"Some criminals are switching from cocaine trafficking to prescription-drug fraud because the risk-adjusted rewards are higher: the money is still good, the work safer and the penalties lighter. Medicare gumshoes in Florida regularly find stockpiles of weapons when making arrests. The gangs are often bound by ethnic ties: Russians in New York, Cubans in Miami, Nigerians in Houston and so on."

The federal government has tried to respond by more zealous investigation and prosecution. A new "predictive analysis" computer system modeled on those used to combat credit-card fraud was launched in 2011. And programs to recover stolen funds and punish the criminals involved have been ramped up. According to the Economist, "the owner of a mental-health clinic got 30 years for false billing" last year. For every \$1 spend on fraud-control, the government recovers \$8. In total, the government's fraud-busters recovered \$4.3 billion in 2013. Obamacare has helped, because it has brought better data-sharing between state and federal medical agencies.

What is the connection between ICD-10 coding and medical fraud? According to the Economist, the link is that the United States medical system is just too complex. In its "leader" (editorial) on the subject, the magazine noted that ICD-10 includes nine billing codes for "attacks by turtles." An article later in the same issue claimed that ICD-10 includes nine billing codes for "injuries caused by turkeys." Turkeys, turtles, whatever.

The truth, it turns out, is that ICD-10 really does include nine codes for injuries caused by turkeys (and none for injuries caused by turtles--that was a fabrication by a hasty Economist editor who apparently speed-read the first two letters of "turkeys" and came up with "turtles" by mistake). However, a conservative Texas congressman, Ted Poe, actually researched the issue and discovered the following ICD-10 codes:

W61.4 Contact with turkey

W61.42 Struck by turkey

W61.42XA initial encounter

W61.42XD subsequent encounter

W61.42XS sequela

W61.43 Pecked by turkey

W61.43XA initial encounter

W61.43XD subsequent encounter

W61.43XS sequela

W61.49 Other contact with turkey

W61.49XA initial encounter

W61.49XD subsequent encounter

W61.49XS sequela

Will turkey billing fraud replace phantom powered wheelchairs and prescription drug conspiracies? Probably not. But, the good news, as the Tampa Bay Times reports, is that "if your Thanksgiving tradition takes a tragic turn... your doctor will be able to describe it in seven-digit detail."