

CFP TECHNICAL ASSISTANCE BULLETIN

BILLING INCENTIVES

13A-05 MARCH 2005



BACKGROUND:

During recent audits and reviews of Comprehensive Medicaid Case Management Programs (CMCM) over the past year, one of the issues identified has been the use of incentives, both monetary and non-monetary, for increasing the billing productivity of case management staff. While some providers are offering modest inducement to staff, i.e. movie tickets, etc, some providers are offering monthly cash awards to staff that meet billing quotas set by their agency. In consultation with the Division of Legal Affairs, the AIDS Institute has determined that incentives based on meeting determined billing quotas are inappropriate and contrary to the goal of quality case management provision.

While there is nothing explicit in federal or state statutes, regulations or law, the Office of Inspector General (OIG) has released a Special Advisory Bulletin entitled: "Offering Gifts and Other Inducements to Beneficiaries." The implications associated with incentives are not limited to Medicaid or Medicaid beneficiaries. The concerns noted in the OIG Advisory Bulletin serve as guidance on those issues that arise when evaluating the propriety of incentives in the case management context.

"The Advisory Bulletin relies on section 1128A(a)(5) of the Social Security Act and its policy on remuneration, which prohibits a person from offering or transferring any remuneration to a beneficiary, for anything other than fair market value, when the person knows, or should have known, it is likely to influence the beneficiary's selection of a provider, practitioner, or supplier of Medicare or Medicaid payable items." The rationale behind the prohibition for inducements to beneficiaries also applies when considering the practice of a case management program providing employees with incentives.

"Section 1128A(i)(6) of the Social Security Act defines remuneration as 'waivers of coinsurance and deductible amounts (or any part thereof), and transfers of items or services for free or for other than fair market value'. The OIG broadens this definition classifying remunerations as anything of value."

PROGRAM STANDARDS AND GUIDANCE:

It is OIG and DOH's opinion that an "inducement" can have an adverse effect on the quality of services, as well as cost concerns, and may also result in unnecessary services rendered to the clients. It is the goal of the AIDS Institute to protect the fiscal integrity of the Medicaid program, as well as, ensure clients receive high quality case management services. Providing incentives to case management staff can create the potential for fraud and/or abuse. Incentives create risks for both the employer and the employee. Staff may be more likely to provide unnecessary services in order to receive the incentive and the provider may be more likely to bill Medicaid for services not rendered in order to offset the "cost" of the incentive. When the focus becomes billing and/or the incentive, the program becomes less focused on the needs of the clients, and therefore the quality of case management is compromised.

Therefore, effective **April 1, 2005 Community Follow up Programs may no longer offer any form of billing incentive to COBRA Community Follow-up Program case management staff.**