

Medicare update: Managed care work provides no protection from audits

**By Paula Hartman-Stein, Ph.D.**

In order to survive the changing and unpredictable landscape of health care reform, psychologists may be able to see the “900 pound gorilla” of Medicare coming before they will be aware of the stealthy managed care “pride of lions” who are prowling for signs of billing errors and health care fraud.

“Both the Medicare gorilla and the managed care lions use data mining software to detect practice patterns of their health care providers,” said James Georgoulakis, Ph.D., (San Antonio), psychologist and health care attorney who serves as the APA representative to the Relative Update Committee (RUC) of the American Medical Association in a recent interview at the APA convention.

“You may not agree with the rules of Medicare, but they are spelled out, while the different private insurance rules are not as clear,” he said, adding that the private insurers “know everything about their providers’ billing patterns, keeping track better than Medicare.” He said he encounters psychologists who want to stop seeing Medicare patients because they think the managed care world is easier. “That is a real mistake,” he said.

According to Georgoulakis, private insurers study the website, [www.Medicaresmostwanted.com](http://www.Medicaresmostwanted.com), to track the names of doctors.

He warned that psychologists need to read their managed care contracts carefully because each insurer may have different rules. “It is far easier to work with Medicare,” he said. Medicare has rights of appeal but the insurance companies often do not.

“As a result of an audit a managed care company can demand the money back because of inadequate documentation of medical necessity, for example, and the company will send a letter to the patient saying the doctor owes the co-pay or deductible amount back.”

There is often no notice of changes, so the psychologist needs to periodically check the website of each managed care company, according to Georgoulakis. An example of a recent change is the requirement by some insurance companies to include start-stop times for each and every neuropsychological test.

During the last year Georgoulakis has worked on one new case each month of alleged insurance billing errors by psychologists serving on managed care panels.

“Psychologists think about health care reform measures within the federal system. When treating privately insured patients, they think they are in a safe haven but really they are in a rowboat with holes in it and they don’t know they are taking on water,” said Georgoulakis.

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