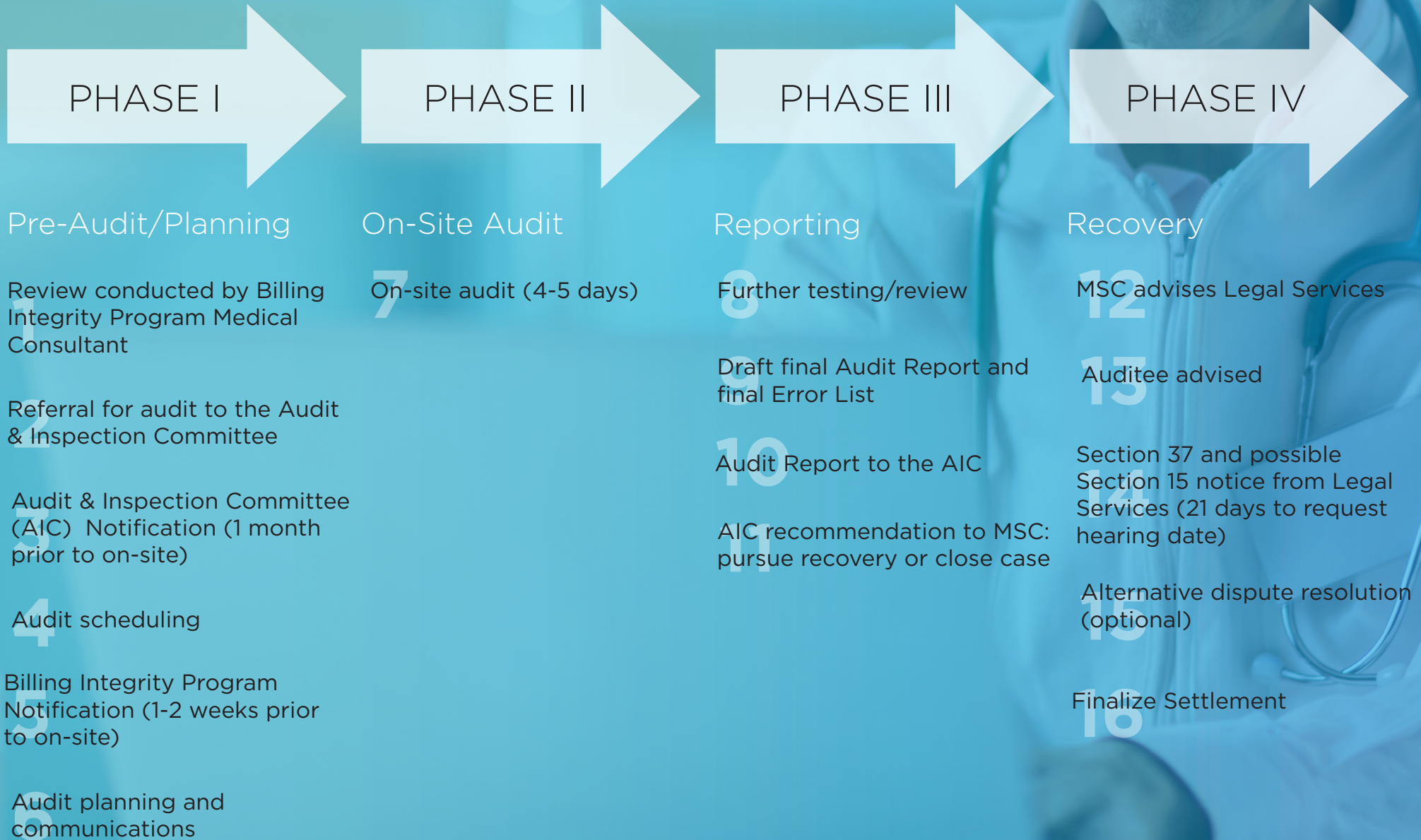


AUDIT PROCESS FOR AUDITEES



PHASE 1: PRE-AUDIT/PLANNING

1. Reviews are triggered by various sources including, but not limited to, Service Verification Audits (random patient confirmation), tips and statistical analysis. As a result of these sources, the Billing Integrity Program (BIP) Medical Consultant will conduct a review of the practitioner's billing profile, and may conduct a preliminary review of records. Depending on the outcome, and if there are pattern of practice concerns, the practitioner will be referred to the Audit and Inspection Committee (AIC). Audits are never conducted solely on the basis of a tip received.
2. The AIC has the delegated authority from the Medical Services Commission (MSC) to approve audit projects. After reviewing all pertinent information provided by BIP, the AIC will approve or reject the audit referral.
3. Auditee will receive notification, in writing, from the AIC that an audit of their practice has been authorized.
4. BIP will be in contact with auditee to make arrangements for the audit.
5. Auditee will receive notification, in writing, from BIP confirming the audit date, audit team members and other specifics.
6. BIP preparation for audit; request data and records as required.

PHASE 2: ON-SITE AUDIT

7. BIP will work with the auditee in order to minimize disruption and allow the physician to carry on near regular practice. On average, an on-site audit will occur over 4-5 days. The audit team will be comprised of two or three members: a Medical Inspector and one or two BIP Senior Auditors. Reasonable effort will be made by the BIP to try to obtain a Medical Inspector in the same speciality as the auditee. The audit team will meet with the auditee prior to commencing the audit and a list of patient files to be reviewed will be provided. All documentation related to the audit sample will be scanned. The Medical Inspector will examine the clinical records to determine if they support the MSP billings and complete working papers. The Senior Auditor will examine MSP and private billing procedures and claims records and may also interview other staff members. On the last day, an exit interview will be conducted by the Senior Auditor and the Medical Inspector to provide feedback and discuss preliminary findings with auditee.

PHASE 3: REPORTING

8. The Senior Auditor and Medical Inspector complete their respective reviews of the auditee's practice, with advice from the BIP Medical Consultant as needed.
9. Final audit report and quantification drafted for approval by Audit Manager and Medical Inspector signature. Final error list drafted.
10. Final audit report is presented to the AIC for approval.

11. The AIC will provide recommendation to the MSC whether to pursue recovery or close case. If the case is closed, the auditee will be informed in writing. If decision is made to pursue recovery, recover phase commences. The AIC will also provide a copy of the audit report and a summary of their recommendation to the MSC, to the College of Physicians and Surgeons of BC, and the Doctors of BC Patterns of Practice Committee

PHASE 4: RECOVERY

12. After being recommended by the AIC to pursue recovery, the MSC will approve the recommendation and advise Legal Services to pursue recovery.
13. Auditee will be advised that recovery is being pursued under Section 37 of the MPA and may, if appropriate, be advised that de-enrollment is being pursued under Section 15 of the MPA. A copy of the audit report and error list will be provided to the auditee.
14. Legal Services will assign a lawyer to the file and acknowledge they have received instructions to pursue recovery. A Section 37 Notice will be issued to the auditee by the MSC. Legal Services and BIP will start to prepare all records pertinent to the file for legal disclosure. The auditee must request a hearing within 21 days of receiving the section 37/15 notice from the MSC, or otherwise the MSC may proceed to make an order under the Act.
15. The auditee may also request an Alternative Dispute Resolution (ADR) process, in addition to requesting a hearing. Most cases are settled by ADR, which may occur by means of correspondence between Legal Services and the auditee's legal counsel, or in the process of a mediation meeting. However, if this is not successful, then the formal hearing will occur as previously arranged, and a hearing panel will provide a decision on the matter."
16. A variety of correspondence will be exchanged between Legal Services and the auditee's legal counsel in order to finalize a mutually agreed upon settlement. A formal settlement agreement will then be signed by the MSC and auditee. A Pattern of Practice Order, requiring the physician to abide by certain rules or restrictions, may also be implemented.

Note: In exceptional circumstances when an intentional breach occurs, such as submission of claims knowing the claim was not rendered, deliberate misrepresentation of the nature and extent of the benefit rendered, or failure to comply with a Pattern of Practice Order or other Section 37 order, the MSC may pursue action under Section 15 of the Medicare Protection Act. Typically, these cases will usually go straight to hearing and can result in physician de-enrollment.