



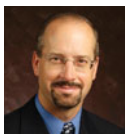
## Payor Contracts, Discounts, and Provider Signatures

■ DAVID STERN, MD, CPC

**Q.** We sometimes have patients come in to our urgent care center with an insurance payor that we do not have a contract with. We do not want to turn them away, but we do want to guarantee our payment. Do we have to submit a claim to the insurance company in such cases? Currently, we offer these patients a self-pay discount, and they pay us in full at the time of service.

**A.** Typically, contracts with payors forbid the practice of requiring payment from a patient except for co-payments, deductibles, and noncovered services. However, if no contract exists, the practice has no contractual obligations. Thus, if a provider has no contract with a payor, then the provider is free to charge the patient directly for services provided. The provider does not have to submit a claim to the payor, but many practices will submit a claim as a courtesy to patients. ■

*“TRICARE contracted rates are generally 90% of Medicare rates, so military folks already receive care at rates lower than those of Medicare.”*



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*“If no contract exists, the practice has no contractual obligations.”*

**Q.** How do we handle billing for a patient who has insurance with which we are contracted, but the patient does not want us to bill the payor?

**A.** This situation is a little complicated. It is likely that the contract with the payor states that the practice must bill all claims to the payor. If you know that the patient has insurance but the patient instructs you to not bill their insurance, you may have the patient sign a document that states that they had insurance and that you have offered to bill their insurance but that they do not want insurance billed for the visit. If you decide to implement this process, you should get formal legal advice from an experienced health-care attorney before implementing this policy. ■

**Q.** I would like to offer all patients who are active-duty or retired members of the military a 25% discount to make up for the fact that we do not accept TRICARE. I have read that Medicare will claim that it is entitled to the same discount. Is that true? How can I get around this if I do not want to have any government contracts?

**A.** If a 25% discount is still higher than Medicare rates, Medicare should not have any issues with this discount.

If the discount, however, results in rates below those of Medicare, theoretically Medicare might object. It is a commonly held view that if your practice participates in the Medicare program, then you can never offer anyone a rate lower than that of Medicare. Many billers hold this as a strict, no-exceptions rule. However, historically, the Centers for Medicare & Medicaid Services (CMS) has been more lenient in enforcement of this regulation. In any case, TRICARE contracted rates are generally 90% of Medicare rates, so military folks already receive care at rates lower than those of

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Medicare. In addition, many payors in some states (California, for example) have contracted rates that are less than those on Medicare fee schedules. ■

**Q. We had a physician leave our practice before signing off on some of his charts. Can we still submit claims for these cases without the signature and just explain what happened? If not, what are our options?**

**A.** I would not recommend sending the claims without a signature. Another physician within the group may sign on his behalf, but an explanation is required, such as this one: “Chart signed by John Jones, MD. David Smith, MD, relocated to California on 12/1/2014 and was unavailable to sign this medical record.” ■

**Q. One of our physicians was out of the office for a week and did not sign off on her charts. Is there a time limit for signing charts?**

**A.** As a general rule, providers should not add signatures to the medical record beyond the short delay that occurs during the transcription process, which is generally 24 to 72 hours. Medicare guidelines (*Medicare Program Integrity Manual*, Publication 100-08, available from <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019033.html>) state:

“Late signatures may not be added to the record (beyond the short delay that occurs during the transcription process). Medicare does not accept retroactive orders. If the provider’s signature is missing from the medical record, submit an attestation statement from the author of the medical record.

“If the order is unsigned, you may submit progress notes showing intent to order the tests. The progress notes must specify what tests you ordered. A note stating ‘ordering lab’ is not sufficient. If the orders and the progress notes are unsigned, your facility or practice will be assessed an error, which may involve recoupment of an overpayment.” ■

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