

~~Lawsuit: Epic's Software Double-Bills Medicare, Medicaid for Anesthesia Services~~

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Health IT giant Verona, Wis.-based Epic Systems has been hit with a False Claims Act lawsuit that alleges the company's software double-bills Medicare and Medicaid for anesthesia services, resulting in the government being overbilled by hundreds of millions of dollars.

The lawsuit, which was filed under the qui tam provision of the False Claims Act in 2015 and made public Thursday, alleges Epic's billing software's default protocol is to charge for both the applicable base units for anesthesia provided on a procedure as well as the actual time taken for the procedure. This results in the provider being reimbursed twice for the base unit component, according to the lawsuit.

According to the lawsuit, Medicare adjusted its payment approach to anesthesia services in 2012 to require physicians to bill for the actual time on a procedure instead of 15-minute blocks of time. The suit alleges Epic's software allowed hospitals to set up their anesthesia billing modules to bill for 15-minute increments in addition to the actual time anesthesiologists spent on the procedure.

The whistle-blower who filed the lawsuit, Geraldine Petrowski, worked at Raleigh, N.C.-based WakeMed Health from September 2008 through June 2014. In her role as supervisor of physician's coding, Ms. Petrowski served as the hospital liaison for Epic's implementation of its software at WakeMed Health.

Ms. Petrowski claims she provided examples to Epic representatives illustrating the double-billing practice, and the company initially ignored her complaints. "It was only after relator, Petrowski, reiterated her direction to fix this software setting that [Epic] relented and fixed it only for the WakeMed Health facility," according to the lawsuit.

The lawsuit alleges the unlawful billing protocol has resulted "in the presentation of hundreds of millions of dollars in fraudulent bills for anesthesia services being submitted to Medicare and Medicaid as false claims."

In a statement to HealthcareIT News, an Epic spokeswoman said, "The plaintiff's assertions represent a fundamental misunderstanding of how claims software works."

The Department of Justice declined to intervene in the case, and the whistle-blower will move forward in the case without the government.

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