

## **STAT LAW December 2009**

### **RED FLAG RULES DELAYED AGAIN**

The Federal Trade Commission announced that it was delaying the implementation of the Red Flag Rules again until June 1, 2010. The Red Flag Rules require creditors, including physicians, to institute programs to prevent identity theft. As reported previously, a bill, HR 3763, was introduced in Congress on that would exempt some small physician practices, accounting firms and law offices from the Red Flag Rules. HR 3763, was passed by the House of Representative and is currently before the Senate's Committee on Banking, Housing, and Urban Affairs.

### **PHYSICIANS MUST BE IN MEDICARE PECOS TO ORDER SUPPLIES AND DME**

Physicians that order supplies and Durable Medical Equipment (DME) for their patients must have all their enrollment information in the Medicare electronic Provider Enrollment Chain Ownership System (PECOS) before January 1, 2010. Starting January 1, 2010, Medicare will be denying all claims for DME and supplies if the ordering physician does not have current enrollment information in the PECOS system. Medicare advises physicians to verify their information in the PECOS system in order to avoid denials.

### **OIG ISSUES 2008 REPORT**

In September 2009, the U.S. Department of Health and Human Services Office of Inspector General (OIG) reported the results of its activities in 2008. According to the report, the OIG obtained about \$1 billion in judgments and settlements for health care fraud in 2008. Since 1997, \$13.1 billion has been returned to the Medicare Trust Fund.

### **CMS'S 2008 BONUS PAYMENTS TOTAL \$92 MILLION**

The Centers for Medicare and Medicaid Services (CMS) announced that it would award more than \$92 million to physicians and other health care providers under the 2008 Physician Quality Reporting Initiative (PQRI). The average incentive payment was \$1,000. The largest incentive payment to an eligible professional was \$98,000. The total amount awarded to Florida professionals was \$7.5 million.

### **DOCTOR SENTENCED FOR HIPAA VIOLATION**

In October, an Arkansas doctor was sentenced to one (1) year of probation and a \$5,000 fine for violating HIPAA. The doctor accessed a patient's hospital record remotely out of curiosity after watching a news report.