

Be Prepared for Telemedicine Audits

Yes, Virginia, the government does investigate telemedicine.

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In August, the Department of Justice released a press release announcing an indictment for a telemedicine fraud scheme. A federal grand jury in Newark, New Jersey, returned a superseding indictment charging a Florida owner of multiple telemedicine companies with orchestrating a health care fraud and illegal kickback scheme

write medically unnecessary orders for these braces and medications. Harry's telemedicine companies provided orders to DME suppliers that fraudulently billed Medicare over \$784 million. Medicare ended up paying over \$247 million.

There is really nothing new in this indictment. Improper prescriptions were written, doctors were paid

If you are currently engaged in telemedicine, or considering adding telemedicine to your practice, it is vital that:

- 1) You document the medical necessity of all items you order, both medicine and DME.
- 2) If you are ordering items via telemedicine, either you or your patient should select the vendor, do not allow the telemedicine provider to select the vendor.
- 3) Be very careful about accepting anything of monetary value from any vendor to whom you refer patients for DME or other medical products paid for by any payor, including the government.
- 4) Be aware that the government may now watch telemedicine claims more carefully to investigate fraud, waste and abuse, and audits for telemedicine may be more prevalent in the not-too-distant future. **PM**

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that involved the submission of over \$784 million in false and fraudulent claims to Medicare. This is one of the largest Medicare fraud schemes ever charged by the Justice Department. The superseding indictment also charges the defendant with concealing and disguising the proceeds of the scheme in order to avoid paying income taxes.

According to the indictment, Harry and his co-conspirators solicited illegal kickbacks and bribes from durable medical equipment (DME) suppliers and marketers in exchange for orders for DME braces and medications. Harry's telemedicine companies then allegedly paid physicians to

write the improper prescriptions and the suppliers provided kickbacks where the 'mastermind' was paid and then in turn paid the doctors. What is new is the use of telemedicine to manage this scheme. The statement in the first paragraph "This is one of the largest Medicare fraud schemes ever charged by the Justice Department" is important. The government is aware that the depth and breadth of telemedicine that allows doctors to reach large numbers of patients quickly, easily, and efficiently also allows telemedicine to be leveraged to commit fraud at a level much greater than can be achieved in the conventional provision of medicine.

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