The Evolving Landscape of Medical Necessity in Healthcare Compliance

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There exists an ongoing tension in the American healthcare system between patients receiving the appropriate care they need to treat medical conditions and the high cost of healthcare. For example, when a patient sees an orthopedic surgeon about knee pain and the physician orders a costly MRI to diagnose the underlying condition, is that MRI the right course of treatment, or is a much less expensive course of physical therapy more appropriate? This tension between patients obtaining medical care and the high cost of that care has spilled over to the enforcement arena.

In recent years, there has been an increased focus by government enforcement officials on claims for reimbursement that are alleged to be false or fraudulent because the services rendered were not reasonable or necessary. This has not historically been the case. Many seasoned criminal prosecutors avoided bringing cases based on lack of medical necessity because such cases necessarily rely on the competing opinions of expert physicians, a discord that presumably could create reasonable doubt in the minds of a jury. Despite this historical reluctance, cases alleging fraudulent billing of services to federal healthcare programs based on the lack of medical necessity are becoming commonplace. In light of this trend, providers should consider how to incorporate the medical necessity of services into their compliance program.

Read the full article here.

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