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Taking a fresh look at physician time studies

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Anyone following healthcare news in recent months no doubt will have noticed several reports of multimillion-dollar settlements in cases involving physician compensation fraud.

As these reports show, the U.S. Department of Justice (DOJ) and the U.S. Department of Health and Human Services Office of Inspector General (OIG) are putting renewed focus on physician compensation arrangements. This, in turn, means physician time studies are getting greater attention in healthcare organizations.

Because proper documentation of physician time is required by law and is tied to reimbursement, hospitals should be mindful of current developments with respect to emerging court decisions and settlements, applicable statutes, and regulation implementation and should consider retooling their time study processes as necessary. Doing so can help organizations avoid serious risks of noncompliance, including jail time, exclusion from federal programs such as Medicare and Medicaid, and hefty fines and penalties.

Why Physician Time Studies Are Important

According to federal regulations, all hospitals are required to document the time physicians spend on activities for which they are contracted. Depending on the hospital type, physician time is documented in a variety of categories such as physician Medicare Part A administrative time, physician teaching time (for academic medical centers and teaching hospitals), and pre- and post-transplant time.

Time studies are a significant part of an organization's annual cost report, which is submitted to Medicare and Medicaid. The smallest discrepancies in reported physician time can result in hospitals losing significant Medicare or Medicaid reimbursements and being found in violation of federal regulations.

Time Study Challenges

Completing time studies is clearly a necessary function for healthcare organizations. Such studies do, however, create logistical challenges.

Many organizations use paper-based time studies, which physicians fill out by hand. This can create additional work and open organizations to risks such as misinterpretation of physician handwriting and improper data entry. Lower-tech spreadsheets provide an improvement over paper-based processes but still can create cumbersome work on the part of physicians and administrative staff.

These burdensome processes contribute to lower physician participation – many physicians feel time studies are bothersome tasks that interfere with their ability to focus on patient care. In addition, it can be difficult for staff to keep track of reports and track down physicians who might not be completing their reports in a timely manner.

Medicare program instructions require that physicians complete time studies during a specified period rather than, say, waiting until the end of the year to complete them all at one time. When time studies are not performed contemporaneously with the time study period, the activities reported may be overstated or understated and, therefore, may not be in agreement with the underlying physician contract.

Organizations should ask whether their time study process is tied to the contracts they currently have set up with physicians. If not, it's time to re-evaluate the process.

Another challenge organizations face with physician time studies is the effect of contractor reform. Compared to the fiscal intermediaries of 10-plus years ago, today's Medicare administrative contractors tend to call for stricter adherence to the time study regulations and program instructions. In the past, a healthcare organization may have had a long-standing agreement in place to allow some special circumstances for how frequently physicians complete time studies. As these contracts changed hands to the Medicare administrative contractors, there was a shift back to adhering to the regulations and program instructions for time studies. Hospitals need to be aware of this shift and think about employing a new process before potentially getting into trouble.

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Streamlining Time Studies

To avoid some of the issues described here, organizations should consider automated systems for reporting time studies. This approach provides a much more efficient, effective way to capture, document, and report physician time in accordance with complex federal regulations and program instructions.

The most effective automated systems are web based and seamlessly link physician finance and compliance activities, allowing organizations to verify compliance with federal fraud statutes and regulations and also identify reimbursement opportunities.

Automated time study systems should:

- Be accessible on smartphones, tablets, laptops, and personal computers so physicians can enter or approve their time from any location, making it more convenient
- Feature customizable views that allow for input of information pertaining only to the individual physician's activities, thus minimizing the risk of errors
- Allow for administrative support and email reminders to encourage and increase participation among physicians in completing time studies

- Provide a single repository for all supporting documentation that may be needed at the time of an audit
- Offer reporting capabilities, exception reports, and drill-down capabilities that help the organization provide proactive real-time oversight

Automated time study processes can help healthcare organizations more effectively handle time studies while supporting adherence to regulatory requirements and improving reimbursement.

Given today's intense scrutiny on physician compensation arrangements by the DOJ and OIG, healthcare organizations should look to automated time study systems to verify accurate capturing, documenting, and reporting of time spent on activities for which physicians are contracted. Incomplete and inaccurate time studies can put the organization and physicians at risk for lost reimbursement dollars and the fines and penalties that result from noncompliance. A more streamlined time study system can encourage physician participation, ease the burden on administrative staff, and, ultimately, ensure appropriate reimbursement and mitigate the risk of penalties and costly fines.

Learn more

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