



Nova Scotia Dental Association

## **PRACTICE CHOICES:**

The business of dentistry,  
corporate interests and you

A resource & guide  
for Nova Scotia Dentists.

### **Part 5a:** Insurance Audits

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***The Nova Scotia Dental Association supports the belief that dentists are best able to make self-determined, informed practice decisions when they are equipped with all the necessary information regardless of practice model. Patient-centred care is best delivered when the dentist/patient relationship is based on the dentist having full autonomy for treatment decisions.***

Important questions every dentist should ask before making a practice model decision (from the 2013 Investigative Report on the Corporate Practice of Dentistry from the Academy of General Dentistry):

- a. Who is my employer?
- b. Who can create or edit a treatment plan? Who is responsible for the treatment plan? Do I have the authority to disagree or change a treatment plan?
- c. Who owns the dental professional entity? Who owns the business entity?
- d. What is the governance structure of the dental profession entity? Of the business entity?
- e. Does the business entity have a relationship with any outside investors, such as an equity firm or public company?
- f. Is there a management service agreement? If so, does that agreement comply with provincial laws and regulations?
- g. What are my employer's expectations regarding my productivity, patient volume, and revenue? For example, may I take two hours to complete a crown prep?
- h. What formula is used for dentist compensation? That is, to what degree is my compensation based on my productivity?
- i. What is the relation between my compensation and that of the business entity?
- j. Who owns the lease agreement for the building? For the equipment? If I buy a practice, will I have the opportunity to own the equipment in full, or will I rent the equipment perpetually? If I can own the equipment, what is the lease term, and is there a separate agreement for a lease-to-own opportunity?
- k. May I use any vendor for supplies? Is there a cap on the volume or type of supplies available?
- l. May I use a dental laboratory of my choosing? How are lab costs ascertained and apportioned?
- m. Who has control over the revenue stream distribution, and how is the revenue stream distributed?
- n. Who owns patient records? Upon termination, would I have access to patient records? If so, to what extent? Is there a procedure for accessing these records?
- o. How are after-hours emergencies addressed?
- p. Who makes hiring and firing decisions? Are there any protocols or guidelines for these decisions?
- q. May I have access to all contracts and other documentation upon which the above answers are based, so that I may share them with an independent attorney, accountant or professional advisor?



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## Insurance Audits

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COX & PALMER

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## **INSURANCE AUDITS**

### **WHO CONDUCTS AUDITS?**

As part of claims verification, almost all insurance carriers and/or plan administrators conduct “audits” when they suspect possible fraud, errors or abuse. Claim Secure, Great-West Life, Manulife, Express Scripts Canada, NIHB – all have been known to conduct audits of providers. All insurers employ some form of verification in administration of claims.

### **WHY ARE AUDITS CONDUCTED?**

The goal of an audit by an insurance company is to ensure that the patient has received services for the claims that have been submitted, to verify that the claims comply with the terms of the insurance policy and to determine whether the insurer has made any payments in excess of what the appropriate claim should be.

The insurer may claim against a dentist if they feel the dentist has billed inappropriately.

### **WHAT DOES AN AUDIT PROCESS LOOK LIKE?**

While there are some common tactics among insurers, there is no standard audit or claims verification process. Generally speaking, insurers will initially:

- Gather information via claims validation and verification
  - This may include profiling a dentist’s billing history and looking for outliers and anomalies
- Identify billing procedures that require further investigation or an audit

### **WHY AM I BEING AUDITED?**

There are many reasons why you might be the subject of an audit, including:

- Profiling software which compares billing frequencies to other dentists
- Tips from a patient, staff or colleagues
- Random selection

### **WHAT SHOULD I DO IF I RECEIVE A REQUEST FOR RECORDS?**

Audits are usually initiated by a letter from the insurance company requesting records from the dentist in order to conduct the review.

If you receive such a request, you should ask for a detailed list of information required by the insurer, as well as particulars of the consent signed by the patient.

Only once you have full particulars of the request and the appropriate patient consent (discussed in more detail below), the records requested should be provided.

### **IS IT OKAY FOR ME TO RELEASE PATIENT INFORMATION TO THE INSURANCE COMPANY?**

If the audit is being performed by MSI, you are permitted under the *Personal Health Information Act* to release personal health information for that purpose.

However, if the audit is by a private insurance company, insurance companies do not have the right to a patient's personal information without the patient's consent. While the insurance policy may contain the patient's consent to the release of information for the identification and payment of claims, it may not be broad enough to provide you with authorization to disclose the information sought by the insurer in an audit (which will often include health information and other personal information).

As a result, you should not provide a patient's personal information to an insurer until you have received the patient's written consent. If the patient does not consent to the disclosure of their personal information, you should not provide this information to the insurer.

You should also be aware that your authority to release patient information is limited to the information the patient has consented to disclose. You cannot provide the insurer with information that is outside the scope of the patient's consent.

### **CAN I REFUSE TO RELEASE THE RECORDS IF THE PATIENT HAS CONSENTED?**

In most, if not all, circumstances, it is not appropriate to refuse to comply with a properly executed consent form which consents to the release of all of the information sought by the insurer. The patient has the right to decide whether they wish to release their personal information to an insurer. If the patient has decided to consent to the disclosure, you should respect his or her choice and comply with the request.

### **WHAT DO I DO ONCE I HAVE THE AUDIT RESULTS?**

Once the insurer has reviewed the records being audited, the results of the audit are provided to the dentist.

If there is no overpayment claimed, there is likely no need to respond.

However, if an overpayment is claimed, you should provide a full and detailed response outlining whether and why you believe the billing was appropriate. Supporting documentation should also be provided, where appropriate.

## **COULD THE AUDIT REVIEW RESULT IN A COMPLAINT TO THE PROVINCIAL DENTAL REGULATOR?**

It is possible.

There are instances in other jurisdictions in Canada where an audit has resulted in a complaint to the dentist's regulating body for insufficient records or unethical billing.

## **WHO CAN I CONTACT FOR HELP?**

CDSPI's Professional Legal Expenses Plan includes coverage for legal costs related to an insurance company audit of patient billings. If you have subscribed to this plan through CDSPI, you should contact them to report a potential claim.

Note: the insurer needs to approve your claim prior to you incurring costs in order for the insurance plan to respond.

If you don't have this coverage through CDSPI, consider adding it before trouble strikes. If you receive notification of an audit and do not have the Professional Legal Expenses Plan, you may still wish to contact private legal counsel to help you through this process.

## **BEST PRACTICES FOR AVOIDING AN AUDIT**

- ***Keep up to date on proper code use for the NSDA Suggested Fee Guide.*** The NSDA website has an online Code Advisor that can help with coding issues that might trigger an audit. Ensure staff are up to date on proper code use, read and understand the section preambles in the Suggested Fee Guide, and read the "Cracking the Codes" advice articles in Nova Scotia Dentist magazine. When in doubt on proper code use, NSDA members and staff are advised to contact the Clinical Affairs Manager at the NSDA.
- ***Follow record keeping guidelines to the letter.*** Many of the insurance audits that the NSDA becomes aware of are triggered by insufficient/inconsistent record keeping. Always ensure ample support for treatment is included in the patient's record and treatment notes and day sheets accurately reflect the care provided – from the anesthetic used to the treatment steps and materials.
- ***Avoid the things that trigger an audit via profiling software.*** Unbundling codes (breaking down codes that contain multiple procedures into individual codes that can increase the billable amount) and substituting codes are practices to be avoided. Time units are assumed to be 15-minute units, and this should be considered when charting. Ensure the fees levied reflect the treatment time.
- ***Take billing inquiries seriously.***