

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Coding: Additional Compensation Plans for Coding Services Submitted on 1500 Claim Forms
PAGE: 1 of 2	REPLACES POLICY DATED: 10/1/99, 9/2/03 (HIM.PHY.008), 3/1/06 (GOS.OSG.008) 3/1/08, 7/1/09, 10/15/10, 1/1/2016
EFFECTIVE DATE: February 1, 2017	REFERENCE NUMBER: REGS.OSG.008
APPROVED BY: Ethics and Compliance Policy Committee	

<p>SCOPE: All personnel responsible for performing, supervising or monitoring coding of services provided by Non-Hospital Entities or other providers submitting services on CMS1500 claim forms including, but not limited to:</p> <p>Administration Ambulatory Surgery Division (ASD) Ethics and Compliance Officer HCA Physician Services Group (PSG) OSG Practice Management, operations, and coding/billing consultants Owned Freestanding Outpatient Centers (<i>i.e.</i>, ASC, IDTF, physician directed clinics, clinical offices, radiation oncology, catheterization lab) Employed Physicians, non-physician practitioners and physicians at teaching hospitals Shared Services Centers (SSC)</p>
<p>PURPOSE: To ensure that Coding Incentive and Bonus Pay Plans are NOT used for employees involved in the performance or auditing of coding processes for Non-Hospital entities (including Freestanding Ambulatory Surgery Centers and Physician Practices) or those performing or auditing the coding of any services submitted on CMS 1500 claim forms.</p>
<p>DEFINITION:</p> <p>CMS 1500 Billing - The CMS 1500 form is the standard claim form used by a non-institutional provider or supplier to bill Medicare contractors.</p>
<p>POLICY: Coding Incentive and Bonus Pay Plans are NOT acceptable for employees involved in the performance or auditing of coding processes for Non-Hospital entities (including Freestanding Ambulatory Surgery Centers and Physician Practices) or other individuals responsible for the performing or auditing the coding of any services submitted on CMS 1500 claim forms.</p> <p>Lump sum payments for special projects, clean-up projects unrelated to coding indicators and employment/sign-on are acceptable.</p> <p>Representations by healthcare providers employed by HCA Non-Hospital entities as to the services provided to patients (including representations as to the level of service, when a level must be designated) are not considered to constitute coding for the purposes of this policy.</p>

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PROCEDURE:

1. Coding incentive and bonus pay plans must **NOT** be implemented for any Company employees responsible for performing, supervising or monitoring coding for Non-Hospital entities or any other individuals submitted services on CMS 1500 claim forms. Examples of coding incentive and bonus pay plans that are prohibitive include, but are not limited to the following coding indicators:
 - a. Percentage of major surgery;
 - b. Evaluation and Management levels of service; and
 - c. Accounts Receivable days/dollars; or
 - d. Other coding indicators that are impacted by factors beyond complete, accurate and consistent coding.

2. Coding incentive and bonus pay plans must be terminated immediately. Consult the entity's Legal Operations Counsel for advice on contract termination.
 - a. Current coding incentive and bonus pay plans must be reviewed with the management staff of the entity to determine an immediate and appropriate compensation transition plan.
 - b. Consult the Human Resources Department for advice on coder compensation plans.

The entity's Ethics and Compliance Officer is responsible for implementation of this policy.

REFERENCES:

Coding Documentation for Non-Hospital Entities Policy, [REGS.OSG.001](#)