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## News Release

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FOR IMMEDIATE RELEASE

### **New Documentary Warns Medical Practices About Consequences of Medicare Audits; Reveals a System that is Out of Control**

(Raleigh) – Today the North Carolina Medical Society (NCMS) and the Physicians Advocacy Institute, Inc., (PAI) released a documentary detailing the two-year ordeal a rural North Carolina medical practice experienced during a Medicare audit. *“Guilty Until Proven Innocent: When Medicare Audits Cause Casualties,”* reveals the Medicare audit process as unfair, devoid of common sense and negatively impacting doctors as they work to provide quality patient care.

“This documentary offers an example of the real-life consequences of a federal government audit program that is out of control,” said **Robert W. Seligson**, executive vice president and CEO of the North Carolina Medical Society. “Federal audit contractors are paid to find problems, extrapolate the findings and increase the fines to exorbitant amounts, which can lead to medical practices closing their doors, especially in rural communities already facing critical primary care physician shortages.”

The documentary, which is online at: <http://www.youtube.com/user/ncmedsociety>, describes a series of events that culminated in the Centers for Medicare and Medicaid Services (CMS) imposing a fine on Eastern Carolina Internal Medicine (ECIM) of more than \$1 million. The Medicare Program Safeguard Contractor (PSC) audit began as a medical records request. The minor errors alleged in the medical charts were then extrapolated to reach the overpayment amount. What began as a demand from the audit contractor for \$40,000 in alleged overpayments quickly spiraled into a demand for more than \$1 million.

“The federal government said to us ‘You are a crook; you’ve overcharged; and you owe us this amount of money,’” said practice founder **Neil Bender, MD**.

(more)

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ECIM fought the charges. After more than two years, \$300,000 of expense, and thousands of hours diverted from direct patient care, ECIM proved that it had provided appropriate services to its patients and documented the claims correctly. The fine was reduced to less than \$4,000 only after ECIM physicians and staff spent three days with an administrative law judge reviewing each claim in question.

“What happened to this rural North Carolina medical practice is unacceptable,” said U. S. Senator **Richard Burr (R-NC)**. “While oversight systems can play an appropriate role in helping to root out fraud and waste, it should be done in a consistent and predictable process to ensure medical practices, such as ECIM, are not inappropriately targeted and unfairly burdened in the future.”

Seligson said, “If this documentary doesn’t shine a light on a system sorely in need of revamping, nothing does. It is our hope that through distribution of this video, physician practices will understand the importance of appealing these adverse audit findings and the federal government will recognize that the program needs a massive overhaul. There should be no fraud and abuse in the Medicare program but neither should medical practices and patient care be held hostage by a flawed audit process that penalizes hard-working, honest physicians and their patients.”

To view the video, [click here](#). To obtain a copy of the video contact the NCMS at 919-833-3836 or 800-722-1350 (NC only).

For more information on NCMS visit <http://www.ncmedsoc.org>. For more information on PAI visit [http://www.hmosettlements.com/pages/pai\\_about.html](http://www.hmosettlements.com/pages/pai_about.html).

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**About the North Carolina Medical Society**

*The North Carolina Medical Society is the largest and oldest professional member organization in North Carolina, representing approximately 12,500 physicians and physician assistants who practice in the state. Founded in 1849, the Society seeks to promote access to quality health care for all citizens in North Carolina and champions initiatives that seek to improve quality of care and promote patient safety.*

**Physicians Advocacy Institute, Inc.**

*The Physicians Advocacy Institute, Inc., is a not-for-profit advocacy organization established in 2006 with the primary mission to guarantee compliance with settlements by national for-profit health insurers; to develop projects and tools for the future that guarantee the viability of physicians' medical practices and the ability of physician to deliver quality patient care.*

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