

**COMPUTER SOFTWARE FOR PROCESSING
MEDICAL BILLING RECORD
INFORMATION**

FIELD OF THE INVENTION

The present invention relates to computer software designed for processing medical billing record information received from a pre-existing database, and in particular to processing medical billing record information to ensure compliance with the "72 hour billing rule" for submitting Medicare outpatient claims.

BACKGROUND OF THE INVENTION

The "72 hour billing rule" for submission of Medicare outpatient claims mandates that medical outpatient service performed within a 72 hour period prior to or during a "medically related" medical inpatient admission shall not be billed for outpatient reimbursement to Medicare. If an outpatient claim has been submitted and Medicare reimbursement has been received in either situation, the outpatient claim must be refunded to the payor of the claim. In some cases, the refund will be owed to the Medicare fund. In other cases, the refund will be owed to the provider of a coinsurance policy that supplements the Medicare coverage or to the patient as the payor of a deductible premium that covered the outpatient service. Finally, in some cases the refund will be owed to a combination of these payor sources if they all contributed to reimbursement of an erroneously billed outpatient claim.

Recently, several hospitals have been the subject of a U.S. Department of Justice investigation into fraudulent Medicare billing practices. It was found that some hospitals have been disregarding the "72 hour billing rule" by improperly submitting claims for Medicare reimbursement of outpatient service that are prohibited under the rule. As a result the Justice Department has entered into a settlement with some of the offending hospitals to ensure that the erroneously billed outpatient claims are properly accounted for and refunded, and to ensure that a compliance mechanism is in place to prevent future erroneous outpatient billings.

To ensure compliance with the Justice Department settlement agreement, a need has arisen for a computer software program to screen pre-existing paid Medicare billing records to determine what billing records could have potentially violated the "72 hour billing rule". Due to the enormous volume of pre-existing billing records which must be screened, it is imperative that this software be able to interpret data from existing billing records automatically without any need for manual input of the data. The software must also have the capability to automatically segregate and separately store the records where potential violations could exist for further examination to determine whether the rule has actually been violated in those cases. Finally, the software must have the capability for updating the records where violations have occurred in order to track the refund process to completion.

The present invention satisfies the needs outlined above by providing a software package that will automatically screen pre-existing medical billing record databases to identify potential violations of the "72 hour billing rule". The software will automatically convert pre-existing Medicare billing record information into a form suitable for identifying the potential violations. It will automatically segregate and separately store the billing records which potentially violate the rule for further processing to determine if violations have occurred. Finally, it provides the capability for

updating records of actual violations to document the payment of refunds to the proper parties.

Although the software was initially developed for use in conjunction with the Medicare "72 hour billing rule", the rapidly escalating and changing demands of medical service providers with respect to the processing of medical billing information dictated that the software be designed with the flexibility for adaptation to different medical billing record applications. One such application is the identification of billing records for patients transferred between medical service providers during treatment of the same or related medical problems. Thus it is anticipated that the existing capabilities of the software will allow its future use in a wide variety of medical billing applications other than the Medicare "72 hour billing rule".

Accordingly, it is an object of the present invention to provide a computer software program to automatically screen pre-existing medical billing record information.

It is further object of the present invention to provide a computer software program to automatically screen pre-existing medical billing record information to identify potential violations of the Medicare "72 hour billing rule".

It is a further object of the present invention to provide a computer software program to automatically convert pre-existing Medicare billing record information into a form suitable for identifying potential Medicare "72 hour billing rule" violations.

It is a further object of the present invention to provide a computer software program to automatically segregate and separately store the billing records which potentially violate the Medicare "72 hour billing rule" for further processing to determine if violations have occurred.

It is a further object of the present invention to provide a computer software program with the capability for updating records of actual Medicare "72 hour billing rule" violations to document the payment of refunds to the proper parties.

It is a further object of the present invention to automatically screen pre-existing medical billing record information to identify patients transferred between medical service providers during treatment of the same or related medical problems.

SUMMARY OF THE INVENTION

The preferred embodiment of the invention consists of computer-coded software instructions capable of being executed by a conventional computer microprocessor to perform information processing on pre-existing medical billing record information, preferably consisting of hospital or individual doctor Medicare billing records. The software contains at least one set of instructions for receiving, converting, sorting and storing input information from the pre-existing medical billing records into a form suitable for processing.

The software contains at least one set of instructions for processing tie input medical billing record information, preferably to identify potential Medicare "72 hour billing rule" violations. This processing is preferably performed by comparing each input medical billing record containing dates of medical inpatient admission and discharge to each input medical billing record containing a date of medical outpatient service. The inpatient and outpatient billing records are first compared to determine if they contain matching patient identification codes to identify all the records originating from the same patient. If matching patient identification codes are found the inpatient and