
Unbundling¹

The Scenario

The auditor was reviewing provider claims for medical tests and outpatient charges submitted to Tricare Management Activity (Tricare) for reimbursement and observed the following trends:

- Several physicians submitted separate bills to Tricare for patient cholesterol tests. Specifically, instead of billing the entire charge for a cholesterol test, the providers submitted bills for testing high-density lipoprotein (HDL), low-density lipoprotein (LDL), and triglycerides separately.
- A third party billing agency routinely submitted separate charges for blood pressure tests administered during routine physical examinations. However, reimbursement for the tests was included in the physical examination fee.
- A provider submitted several hundred separate claims for outpatient services that were previously reimbursed by Tricare. The outpatient services charges were included in the patient fees for surgery and postoperative hospital stays.

General Comments / Lessons Learned. Unbundling or fragmenting in order to increase provider reimbursement is considered a fraudulent misrepresentation of medical services provided. The practice is widespread and has resulted in numerous criminal convictions throughout the United States. One of the most common schemes involves unbundling charges for routine blood tests. Data mining and reviews of patient history files are useful audit techniques to detect unbundling.

Tricare uses an automated program called ClaimCheck to evaluate provider billings for appropriateness and eliminate overpayment of professional and outpatient hospital service claims. Example ClaimCheck edits include unbundling, age conflicts, gender conflicts and duplicate services. For additional information on ClaimCheck capabilities, refer to the Tricare/Champus Policy Manual, 6010.47-M, Chapter 11, Section 14.1, December 1998.

¹ Unbundling or fragmentation occurs when healthcare providers bill Tricare for medical tests or patient services that were performed at the same time, or were previously included in the overall reimbursement fee. The providers submit separate bills for each component of the test or medical service to obtain higher reimbursement rates.

FRAUD INDICATORS

- **Provider's reimbursement claims indicate a pattern of unbundling medical tests and/or patient charges.**
- **A third party billing agency unbundles provider charges to obtain larger reimbursements.**
- **Provider and/or third party billing agency submits reimbursement claims for services that were previously paid for by Tricare.**