



Smile, You're on Camera

Disclaimer: The information in the scenario is pure fiction for discussion purposes only

New video equipment was recently installed in the surgical service department due to the high dollar inventory maintained in the area. Security was reviewing footage and observed a man taking certain products off of a shelf and disposing of them in the garbage can. On further review, the individual was identified as a sales representative for the product he threw out. The individual had her own cart in the surgical services area where her consigned items were placed and the video showed she had taken some consigned items and threw them away.

The internal auditor and compliance department were contacted. The internal auditor in his investigation pulled reports of the top items sold by the sales representative's company and found that the items disposed of were not in the top item list. He did identify however another product that had many charges coming out of the surgical services area. The product in question was trunk stock for the sales rep and was an office-based product that was never used in the operating room. The internal auditor confirmed that the machinery needed to operate the product was not present in the operating room area, but rather was located in the physician office space.

This intrigued the internal auditor who proceeded to engage in a records review of the surgical services cases where this product was charged. He identified 60 surgery cases in the past 2 months where the product in question was claimed on the sales representative's trunk stock replenishment list, was invoiced by the company, and paid by the hospital to the company. In none of the cases was the use of the product documented in the medical record. Further review indicated that because the product was on the trunk stock replenishment list, claims were submitted to payers, including governmental payers, and patients were charged.

Operating room staff were interviewed about the sales rep of this product and all stated she was well known in the community, many of them having kids on the same sports teams or attending the same church, etc. In short, the sales rep was viewed as a wonderful member of the community.

No written policy existed to detail how trunk stock brought in to the operating room was to be documented, confirmed, charged, invoiced, etc. There was, however, a process that was supposed to be followed. When a sales rep was in the operating room with trunk stock, he/she was to hand it to the scrub nurse. The scrub nurse was to call it out so that the circulating nurse could document the use of the product in the record. Following the case, the sales rep and circulating nurse were to confirm that the used product was appropriately documented. The sales rep could then complete the trunk stock replacement form (usually their own) and place it in a file bin in the core for charge capture staff to pick up and process. When the medical device company's invoice came, there should be a clear paper trail.

Interviewed staff indicated that with regard to this well-liked sales rep, generally none of that process occurred. The sales rep in this case would email their trunk stock replacement list to charge capture staff. The charge capture staff added the product to the charge list, the sales reps company was paid when they submitted the invoice, and claims and patient bills went out the door with the product listed as used during surgery.