Hot Topics in Compliance Auditing and Monitoring

Jeffrey Sinaiko, President
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The Seven EIGHT Elements

1. Written Policies and Procedures
2. Assignment of Compliance Officer & Committee
3. Training and Education
4. Open lines of Communication
5. Internal Monitoring & Auditing
6. Enforcement and Discipline for Noncompliance
7. Prompt Response to Detected Problems
8. Board/Governance responsibility

All = Effectiveness
Auditing and Monitoring

- Foster Compliance Program Growth and Maturity
- Validate Initiatives to Support Desired Results
  - Auditing = Independent Validation
  - Monitoring = Continued Compliance and Improvement
- Key Element to Measuring Effectiveness
- Most difficult and time/resource intensive compliance element to properly execute
Identify Audit Areas

- Questions, Questions, Questions… Sources, Sources, Sources…
  - Staff Surveys
  - Compliance Hotline
  - Patient “Shoppers”
  - Exit Interviews
  - OIG Workplan
  - Prior Surveys

- Investigate

- Other External Guidance
Auditing and Monitoring Program Implementation

- Define Target Areas and Business Processes
  - Develop Annual Compliance Workplan
  - Establish Realistic Goals and Timeline
- Evaluate Sample for Error and Risk
- Determine Cause
- Establish Accountability
- Implement Corrective Action
- Monitor for Improvement
- “Rinse and Repeat”
Recent Common Audit Findings

- Level of service rendered and documented
  - “over/under E/M coding”

- Use of modifiers to “get the claim paid”

- Teaching physician services (PATH)
  - Is teaching physician documentation complete?
  - Are physician supervision requirements satisfied?

- Payments for nonphysician outpatient services provided shortly before or during Medicare Part A-covered stays at acute care hospitals
Recent and Common Audit Findings (cont.)

- Incomplete Physician orders
  - Inappropriate use of therapeutic protocols as “catch all” physician order
  - Missing documentation of medical necessity
  - Lacking documentation of frequency
  - Missing signatures

- Services billed “Incident to” without appropriate supervision/documentation
Recent and Common Audit Findings (cont.)

- Are physician services provided using the correct site of service (hospital outpatient vs freestanding or physician office)?
- Lab, Lab, Lab
- IT Privacy and Security
- Other settings – home health, nursing home, rehab, etc.
Recent and Common Audit Findings
(cont.)

- **Inpatient Specific**
  - Acute respiratory failure
  - GI with Hemorrhage
  - Post –Op Anemia
  - CCs / MCCs

- **Outpatient Facility**
  - Chemotherapy Administration
  - Non-chemo Injections/ Infusions
  - Oxaliplatin dose vs billed units
    (or other similar dose/units issues)
  - Untimed Codes
Recent and Common Audit Findings (cont.)

- Policies and procedures
  - Not always followed due to needed “work arounds”
  - Not updated
  - Noncompliant with current regulations

- Focused arrangements lacking proper monitoring
  - Financial incentives
  - Inappropriate use of space or equipment
Business/Physician Relationships

- Focused arrangements
- Contract compliance, update timelines
- Payment consistency to contracts
- Physicians' record keeping
  - Timesheets
  - What are they being paid to do? How is the time spent?
- Adherence to job descriptions
- FMV opinions in accordance with policy/procedure
Physician Compensation

- Auditing requires that you know and understand the compensation system
  - What is the formula and how does it work?
  - What are the incentives?
  - How does compensation fluctuate with performance as compared to compensation?
  - What are the risks?
  - Was the compensation designed/reviewed by outsiders?
Examples of common deficiencies

- Agreements that don’t meet established principles/benchmarks
- Productivity credit for work performed by others
- Poor understanding of benchmarks ($/Wrvu benchmark)

Non-productivity systems - e.g. quality metrics
Additional Thoughts on Auditing/Monitoring

- **Purpose or Intent**
  - Clearly define: What is the focus and what information is needed?
  - Internal: compliance plan self audit activities; routine, to determine extent of suspected problem or risk
  - External: discovery/self disclosure or as the result of an investigation/carerrier request
  - Circumstances drive a series of decisions

- **Audit Types**
  - Performed under Privilege... or not?
  - Prepayment v. Post-payment
  - Probe v. Statistically Significant v. OIG Protocol
Additional Thoughts on Auditing/Monitoring (cont.)

- How to understand and use common findings
  - Were results statistically valid?
  - Was the audit performed within OIG-standards?
  - Do not use probe sample for extrapolation

- Determine fair restitution or self disclosure

- Use as opportunity to improve processes
  - More efficient
  - More compliant
  - Could be more profitable long term
Questions?
Presenter

Jeffrey E Sinaiko
Sinaiko Healthcare Consulting, Inc.
President
310-551-5252
jeff.sinaiko@sinaiko.com