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Billing and Revenue Integrity – How Do We Effectively Audit or Monitor?

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Today's Agenda

- Definition of revenue integrity
- How is the Government looking at revenue integrity?
- Revenue integrity/compliance functions and potential gaps
- Best practices and implementation of safeguards
- Examples

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What We Hear as the Revenue Integrity Program Goal

- Reduce amount of aging A/R and un-billed days
- Reduce number of claim hand-offs and claim edits requiring manual intervention
- Manage un-billed dollars by prioritizing high dollar claim follow-up
- Expedite cash flow by better managing claim edits and denials
- Identify issues requiring education with action plans and process modifications
- Eliminate repetitive problems by tracking claim edits
- Ensure accurate charge capturing
- Foster continuous improvement of revenue cycle processes through education

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What is a Revenue Integrity and Compliance Program?

- Integration of revenue cycle functions and compliance responsibilities of an organization
- Characteristics of a revenue integrity program include:
  - Consistent actions, values, methods, principles, expectations, and outcomes
  - Achieve operational efficiency, compliance, and legitimate reimbursement
  - Proper processes, tools, and related expertise aimed at effectively pricing, charging and coding for services related to patient care and billing

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Revenue Integrity and the Seven Elements

Compliance Program Element	Revenue Integrity Characteristics	OIG Summary Description
Oversight	Governance, leadership, Revenue Integrity Committee	Designation of a chief Compliance Manager and other appropriate bodies, e.g., a corporate compliance committee, charged with responsibility of operating and monitoring the compliance program, and who report directly to CEO and governing body.
Standards and Procedures	Standards, written protocols, risk areas	Development and distribution of written standards of conduct, as well as written policies and procedures that promote the hospital's commitment to compliance (e.g., by including adherence to compliance as an element in evaluating managers and employees) and address specific areas of potential fraud, such as claims development and submission processes, code gaming, and financial relationships with physicians and other health care professionals.

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Revenue Integrity and the Seven Elements (cont.)

| Compliance Program Element	Revenue Integrity Characteristics	OIG Summary Description
Education and training	Training	Development and implementation of regular, effective education and training programs for all affected employees.
Effective lines of communication	Ability to detect areas of risk	Maintenance of a process, such as a hotline, to receive complaints, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation.
Responding to detected offenses and developing corrective action initiatives	Ability to detect areas of risk, corrective action plans	Development of a system to respond to allegations of improper/ illegal activities and enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or Federal health care program requirements.

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Revenue Integrity and the Seven Elements (cont.)

Compliance Program Element	Revenue Integrity Characteristics	OIG Summary Description
Audit and monitoring	Audit and monitoring	Use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem area.
Enforcing standards through well-publicized disciplinary guidelines	Disciplinary action, governance and collaboration	Investigation and remediation of identified systemic problems and the development of policies addressing the non-employment or retention of sanctioned individuals.
Proposed Elements		
Assessment of compliance program	Continual assessment of work flows	Regularly review the implementation and execution of compliance program systems and structures.
Data mining	Monitoring, predictive data modeling	Transparency, quality, and proactive monitoring of risks or gaps within an organization

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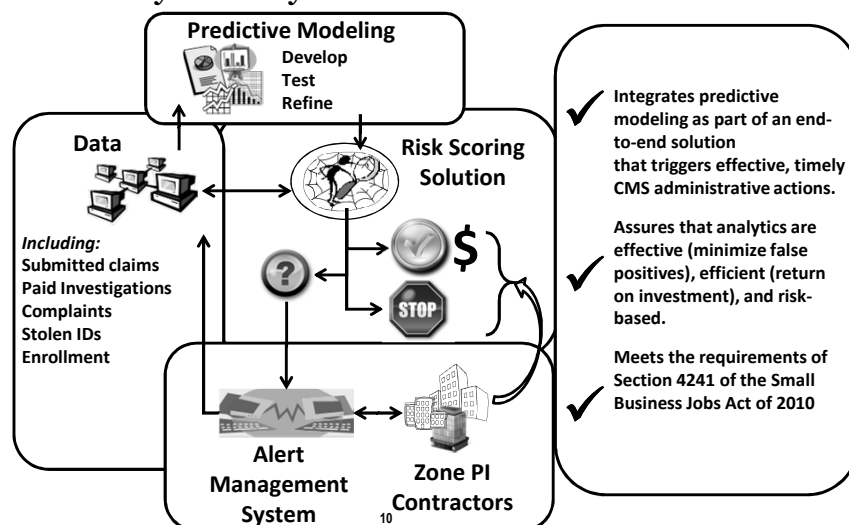## What is the Government Doing Related to Revenue Integrity?
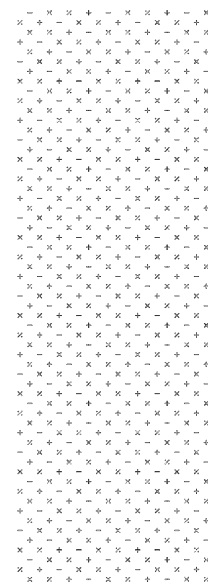
What Have We Seen?

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- Administrative Determination Requests (ADR)
- Recovery Auditors (again)
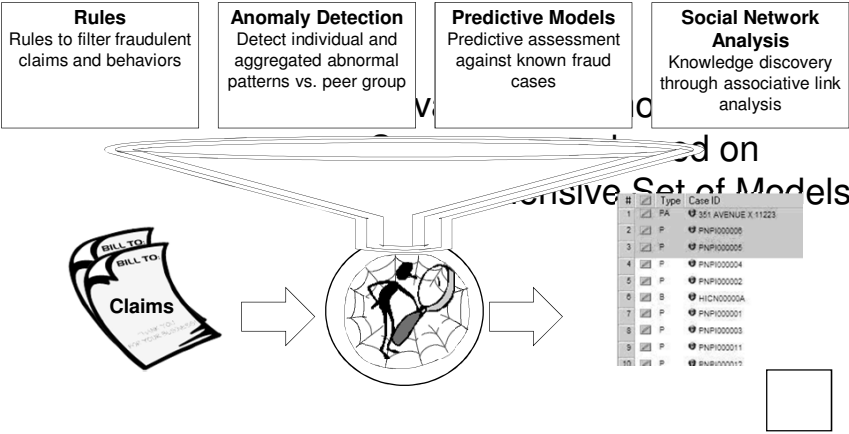- Comprehensive Error Rate Testing (CERT)
- Focused Reviews

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National Fraud Prevention Program Claims Payment System

Predictive Modeling
Develop
Test
Refine

Data

Risk Scoring Solution

Including:
Submitted claims
Paid Investigations
Complaints
Stolen IDs
Enrollment

$

STOP

Alert Management System

Zone PI Contractors

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✓ Integrates predictive modeling as part of an end-to-end solution that triggers effective, timely CMS administrative actions.

✓ Assures that analytics are effective (minimize false positives), efficient (return on investment), and risk-based.

✓ Meets the requirements of Section 4241 of the Small Business Jobs Act of 2010

Advanced Technology Risk Scores Based on Comprehensive Set of Models

Rules	Anomaly Detection	Predictive Models	Social Network Analysis
Rules to filter fraudulent claims and behaviors	Detect individual and aggregated abnormal patterns vs. peer group	Predictive assessment against known fraud cases	Knowledge discovery through associative link analysis

Claims

#	Type	Case ID
1	PA	351 AVENUE X 11223
2	P	PNPI000006
3	P	PNPI000005
4	P	PNPI000004
5	P	PNPI000002
6	B	HICN00000A
7	P	PNPI000001
8	P	PNPI000003
9	P	PNPI000011
10	P	PNPI000012

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Revenue Integrity Functions and Potential Gaps

Structure and Culture for Process Efficiencies

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- Right people
- How structured
- Compliance collaboration
- Culture
- Accountability
- Technology use

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Gap Assessment

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- Structure and culture for process efficiency
- Policies/procedures - training
- Audit and monitoring
- Data mining
- Corrective actions

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Potential Focus Areas

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- Front End – Patient Engagement
- Mid-Cycle - Revenue Recognition
- Back Office – Billing and Collection

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Revenue Integrity
Program Elements

Policies and Procedures
Revenue Integrity

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- Drafting work flows
- Demonstrated controls
- Accountability/measurement
- Implementation

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Policies and Procedures
Gap

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- Focused on work flow
- Regulatory updates not included
- Training not completed
- Policies filed but not disseminated or people do not know where they are
- Lack accountability/measurement

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Education/Training
Revenue Integrity

- Identify gaps in knowledge and the requisite need for coursework

- Inclusion of subject matter experts (SMEs)

- Development of educational materials that are researched and designed by the SMEs

- Utilization of workgroups in the design of educational material to ensure objectives for each area are being met

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Education/Training
Revenue Integrity

- Development of course outlines submitted and approved by management

- Participation of SMEs in external educational seminars on their respective assigned area

- Education of department heads on such areas as annual updates to CPT/HCPC code changes

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Education/Training Gaps

- Lack of monitoring of education provided to assess effectiveness

- Regulatory support not explained

- Dictated approach

- Punitive

- Not vetted

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Tracking and Trending Revenue Integrity

- Develop reports or tools to track and trend

- Management of data allows for immediate response

- Update in response to regulatory changes

- Evaluate and explain

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Tracking and Trending
Gap

- Reports not monitored "once fixed"
- Reviewed with compliance, risk or quality
- Patterns explained without investigating
- Reports do not have current data
- Not able to drill down to detail easily

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Tracking and Trending
Revenue Integrity

- Volume of accounts being stopped by edits to measure productivity and identify patterns causing delays in claims processing and payment
- Edits that are sourced to problems in the charge master
- Edits to identify specific payer requirements and implement changes for continual improvement and to eliminate manual interventions
- Identify pre-bill and post-bill claim edits involving any type of clinical or coding review or required modifier based on services rendered

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Tracking and Trending
Revenue Integrity

- Identify return-to-provider claims that have issues with revenue code and CPT code/HCPCS combinations
- Track and trend denials by
  - Medical necessity
  - Level of care
  - Provider

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Auditing & Monitoring
Revenue Integrity

- Develop comprehensive audit schedule

- Scope of audit

- Performing regular charge capture and compliance audits based on the schedule

- Providing feedback to appropriate departments based on audit outcomes

- Assisting in the development of action plans designed to prevent issues

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Auditing & Monitoring Gap

- Audit scope creep
- Review is focused on revenue not regulatory requirements
- Duplicate audits between departments
- Population/Universe not accurate or refined
- Error/accuracy tracking
- Report control

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Audit and Monitoring Establishment

- Review minutes for actions
  - What areas can be audited?
  - Include system or people changes
- Interview revenue integrity for work flow changes
- Examples:
  - Clearinghouse edits implemented
  - Front end data integrity audits
  - Payment posting/underpayments

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Monitoring Examples

- Coding work queues
- Denial management
- Claim scrubber
- Electronic monitoring reports related to work plan focus areas
- Evaluation and management coding distributions
- Excluded provider listing/background checks

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Monitoring Examples (cont.)

- Teaching physician supervision requirements
- Modifier usage
- Non-physician practitioner code use
- Clinical quality measures

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Corrective Action Plans
Revenue Integrity

- Based on root cause of issue
- Collaboration with management to develop appropriate corrective action
  - o Specific
  - o Actionable
  - o Measureable
  - o Has a timeline

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Corrective Action Plans-Gaps

- Noted in minutes of RI Committee
- No close out of CAP
- Lacks ability to audit or monitor
- No repayment
- Lag in repayment

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Reporting Results to Medicare/ Medicaid: The 60-day Refund Rule

Statute requires that any person who receives an overpayment from the Medicare or Medicaid programs — and who does not report and return an overpayment within 60 days after identification — will be subject to potential False Claims Act liability

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Examples

Examples – Denial Management

- Review revenue integrity monitoring reports and minutes to determine actions
- Obtain denial management reports
- Obtain write off (adjustments) reports
- Select a sample of denials and include:
  - High dollar claims
  - Denial reason not match service
  - Medical necessity
  - Adjustments greater than 50% of expected reimbursement

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Examples – Authorizations

- Review revenue integrity monitoring reports and minutes to determine actions
- Select a sample of admissions and include:
  - Required pre-authorization
  - Insurance
  - Uninsured
- Test the sample for the following:
  - Pre-authorization obtained
  - Insurance checked
  - Uninsured qualifications
  - Duplicate patient

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Examples – Utilization Review

- Review revenue integrity monitoring reports
  and minutes to determine actions
- Select a sample of admissions and include:
  - Medical necessity queries (or potential queries)
  - Authorization should have been obtained
- Test the sample for the following:
  - Validation of subsequent authorization obtained
  - Notification of physician related to medical necessity

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Examples – Utilization Review

- High Producer
  - Rendering versus billing provider
  - Code met/not met based on documentation
  - Appointment schedule time
  - Check in time of patient (roomed) or surgeon arrival time
  - Check out time of patient or surgeon departure time

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Key Takeaways

- Revenue integrity action plans – are they monitoring?
- Audit planning and documentation
- What are we testing
- Revenue integrity function is a vital component of a well designed compliance program

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