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"SUCCESSFULLY NAVIGATING AND MANAGING TODAY'S WORLD OF AUDITS"

HCCA REGIONAL CONFERENCE NEW ORLEANS, LOUISIANA

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RestorixHealth / April 2020

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OBJECTIVE

▶ Clear understanding of The Center for Medicare and Medicaid (CMS) audit programs

TOPICS

▶ Current Covid19 crises, waivers and impact to auditing

▶ Types of audits

▶ Preparing a proper reply

▶ Managing audit activity

▶ Monitoring audit activity
   • Team / Tracking / Trends

▶ Follow up education

▶ Questions

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CURRENT COVID19 CRISIS

▶ Unprecedented impact worldwide
▶ United States response / plan
  • Department of Health and Human Services (HHS)
    ○ Issues 1135 waiver allows various administrative requirements to increase access to medical care during a time of national emergency
  • The Centers for Medicare & Medicaid Services (CMS)
    ○ Empowered to take proactive steps through 1135 waivers to facilitate the requirements to increase access to medical care during a time of national emergency
  • Public Health Emergency (PHE) declared by the President
  • Multiple waivers are issued across many types of healthcare

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CURRENT COVID19 CRISIS

Other CMS action

▶ 2019 Novel Coronavirus (COVD19) **Provider Burden Relief** ~ 3/30/2020
  • Suspended most Fee-For-Service (FFS) medical review (audit) activity
    ○ During the emergency period due to Covid19 pandemic
  • Includes pre-payment medical reviews
    ○ Conducted by Medicare Administrative Contractors (MACs) under Targeted Probe & Educate (TPE) program
  • Post payment reviews conducted by
    ○ MACs
    ○ SMRC (Supplemental Medical Review Contractor)
    ○ RACs (Recovery Audit Contractors)
▶ No additional documentation request (ADR) will be issued
  • Duration of PHE

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CURRENT COVID19 CRISIS

What about the audits in process?

► TPE reviews in process are suspended
  • Claims will be released and paid
► Post payment reviews by the MAC, SMRC, RAC
  • All suspended and released from review

IMPORTANT:

✓ *CMS may conduct medical reviews during or after the PHE if there is an indication of potential fraud.*
✓ *Temporary suspension only for the duration of the PHE.*
✓ *Great opportunity to assess and update current audit monitoring, or establish a solid monitoring program if one does not exist.*
✓ *It's more important today than ever before, to understand the various types of audits, how to best respond, monitor and track this activity to ensure that our hard-earned reimbursement stays in our pockets!*

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TO BEGIN….

► It's not IF we get audited, in today's healthcare it's WHEN we get audited
  • Audits now part of daily routine activities
  • Occur in all areas / specialties of healthcare
► Multiple departments or teams could be involved including
  • Revenue Integrity
  • HIM
  • Coding
  • Billing
  • Compliance
► All should have an intimate understanding of **who** can ask for documentation and **why**
  • The origin of the audit / how to reply / timeliness to reply / monitor the outcome

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CMS LEADS THE WAY IN AUDITING

▶ CMS is at the forefront of the most frequent and impactful audits
- Medicare Program Integrity Manual (100-08) IOMs (https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019033.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending)
- Primary goal is to address improper payments in the Fee-For-Service program
- Compliance with Medicare coverage
- Compliance with coding and billing requirements

▶ CMS uses a variety of contractors to protect the Medicare Trust Fund
- Each with a specific scope of work and goal to protect against
  - Fraud / Waste / Abuse

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REVIEW CONTRACTORS

Can be any of the following:

▶ Medicare Administrative Contractor (MAC)

▶ Comprehensive Error Rate Test Contractor (CERT)

▶ Supplemental Medical Review Contractor (SMRC)

▶ Recovery Audit Contractor (RAC)

▶ Program Safeguard Contractor (PSC)

▶ Zone Program Integrity Contractor (ZPIC)

▶ Unified Program Integrity Contractor (UPIC)

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REVIEW CONTRACTORS

Specific list of contractors who can request your documentation:

"Review Contractor Directory – Interactive Map"

https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs//Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/index.html#la

▶ Select specific state

▶ Correspondence may come from one or several contractors in each state

▶ Performing business on behalf of CMS

▶ Includes emails, phone numbers and website

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REVIEW CONTRACTORS

▶ CMS oversees several different types of audits,
  • Primarily categorized as either pre-payment or post-payment

▶ Pre-payment
  • Documentation is required before a payment or determination is made

▶ Post-payment
  • Audit or review is conducted after the claim is processed and paid

▶ Recent audit activity generally related to one of two CMS initiatives
  • Targeted Probe and Educate (TPE)
    ○ Administered by MACs
  • Supplemental Medical Review Contractor (SMRC)
    ○ Noridian Medicare, national SMRC contractor

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TARGETED PROBE AND EDUCATE (TPE)

- ▶ Designed to help providers and suppliers reduce claim denials and appeals
- ▶ MACs work directly with hospitals and providers, to identify errors
  - Provide assistance or direction for correction
  - Assists to quickly improve when errors are found
  - Including One-on-One help or education
- ▶ Targeted
  - Based on MAC data analysis / claims review
  - High claim error rates
  - Unusual billing practices
  - Items or services with high national error rates
  - Pose financial risk to Medicare
- ▶ Many providers will never need a TPE, but if you are chosen……

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TARGETED PROBE AND EDUCATE (TPE)

- ▶ Begins with Notification Letter
  - Explains the TPE program
    - o Consist of 3 rounds / each affording education
  - The reason for inclusion
  - Advises that additional documentation request (ADR) is forthcoming
- ▶ The Notification Letter does not require a reply
- ▶ Actual ADR will follow requesting documentation for 20 – 40 claims
- ▶ This is considered Round 1
  - Prepare the documentation reply
  - If found or determined to be compliant, "no unfavorable findings",
    - o Ends Round 1
    - o No further review on that topic for at least one year

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TARGETED PROBE AND EDUCATE (TPE)

► IF unfavorable and issues noted
  • One-on-One education is offered
► Participation is strongly recommended
  • Affords great opportunity to speak with auditor / discuss findings or errors
    ○ Teleconference call
    ○ Face to face meeting
    ○ Electronic meeting using webinar technology
    ○ Similar direct communication between MAC educator and hospital or provider
  • Education is completed followed by 45 day period for improvement
► Second ADR is sent requesting another (different / more current) 20 – 40 claims
  • This is considered Round 2
  • Same process continues….

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TARGETED PROBE AND EDUCATE (TPE)

► Round 2 unfavorable findings / no noted improvement
  • Advance to Round 3
► Round 3 begins with another ADR requesting 20 – 40 claims
► Should there still be unfavorable findings
  • Hospital or provider is referred back to CMS for next steps
    ○ 100% prepay review
    ○ Extrapolation / Recoupment
    ○ Referral to RAC
    ○ Other action as instructed by CMS

Overall goal

► Be successful at Round 1

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TARGETED PROBE AND EDUCATE (TPE)

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TPE Reminders and Recap

▶ The appeals process can be considered and utilized if needed
  • Unfavorable findings
▶ CMSs Purpose
  • Decrease provider burden (?)
  • Reduce appeals
  • Improve Medical Review education process
▶ Can be either pre-payment of post-payment
▶ MACs focus on specific providers
▶ Check MACs website
  • Topics (specific services) under TPE Review generally published
    ○ Some with documentation check list
  • Most offer webinars, updates and FAQs within their jurisdiction

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SUPPLEMENTAL MEDICAL REVIEW CONTRACTOR (SMRC)

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▶ Main task
  • Aimed at lowering payment rates
  • Increasing efficiencies of Medical Review
▶ CMS centralized medical review resource
  • Perform large volume Medical Review (MR)
  • Allows for timely and consistent execution of MR activities & decisions
▶ Focus of SMRC reviews
  • Issues identified by CMS internal data
  • CERT program
  • Professional organization
  • Federal agencies (OIG / GAO)
  • Comparative billing reports

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SUPPLEMENTAL MEDICAL REVIEW CONTRACTOR (SMRC)

▶ National SMRC contractor
  • Noridian Healthcare Solutions
▶ Part A, Part B, DME providers
  • Using national and local coverage determination policies
  https://med.noridianmedicare.com/web/jddme/cert-reviews/smrc
▶ Reviews assigned through CMS formal notifications
  • Based on national claims data issues
▶ Review conducted in accordance with
  • Statutory, regulatory and sub regulatory coverage,
  • Coding, payment and billing requirements
▶ List of services currently under SMRC scope of work
  • https://www.noridiansmrc.com/current-projects/

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SUPPLEMENTAL MEDICAL REVIEW CONTRACTOR (SMRC)

and supporting medical records to ensure that payment is made only for services that meet all Medicare coverage, coding, and medical necessity requirements

Access current projects below.

If the project is not listed, please see the Completed Projects.

NOTE: At CMS discretion, not all projects will be made available on this website.

☆ Project ID	Project Title
01-009	General Inpatient Hospice
01-011	DME Supplies in Non-Covered SNF
01-013	Hospice Portfolio
01-019	Spinal Cord Stimulator
01-020	Outpatient Hyperbaric Oxygen Therapy (HBO)
01-021	No Response Providers
01-024	Polysomnography
01-025	Inpatient Rehab Facility (IRF)
01-026	Skilled Nursing Facility (SNF)
01-027	Specimen Validity Part 2

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SUPPLEMENTAL MEDICAL REVIEW CONTRACTOR (SMRC)

▶ Review Results Letter issued
  • Review findings or results
  • Outlines standard overpayment recovery process or recoupment
  • Further instructions
▶ Provider **agrees**
  • Follow the instructions / recoupment process
▶ Provider **disagrees** and project is eligible for Discussion & Education Period
  • Request Discussion & Education (D & E) / Details in review results letter
▶ Discussion & Education period allows
  • Payment recommendations
  • Discussion of medical review findings / direct communication with auditor
  • Education
  • **Ability to submit missing documentation**

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PREPARING A PROPER REPLY

▶ Most important step
  • Responding for audit success
▶ Timeliness is paramount
▶ ADR specifies due date / time frame to reply
  • Most allowing 45 days
  • Recommend plan and prepare for 30 days
▶ Internal team strongly recommended
  • Oversight team
  • Multiple departments
    ○ Compliance, Revenue Integrity, Revenue Cycle, etc
  • Internal communications

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PREPARING A PROPER REPLY

What to send and How to Reply

▶ ADRs include many details
- Specific list of patients
- Dates of service being reviewed
- Specific documentation

▶ Each item requested must be included in the reply

▶ Missing or incomplete documentation
- One of the top denial reasons

▶ Organize documentation in most appropriate chronological order
- Should guide reviewer through patient's plan of care / course of therapy

▶ Number each page
- Greatly facilitates questions / calls with auditors

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PREPARING A PROPER REPLY

▶ Include the ADR letter

▶ List or identify hospital or provider point of contact

▶ Keep an entire copy of reply
- Electronic or paper

▶ Submitting the packet / documentation reply
- Mail / Fax / Electronically

▶ Contractor's website portal
- Highly recommended
- Fastest and generally most efficient method

▶ Other methods
- Confirm and note how and when the reply was sent
  - o Fax ~ print fax confirmation page
  - o Mail ~ confirm address / USPS options

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MANAGING AUDIT ACTIVITY

▶ Designated audit review / monitoring team
  • Assembled by hospital or provider practice
▶ Could include
  • Compliance Department
  • Revenue Integrity Team
  • HIM department
  • Coding & Billing Staff
  • Stand along Audit Oversight Team
▶ Team or Department essential for audit success
▶ Location, contact information, functions and task
  • Published / circulated throughout organization

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MANAGING AUDIT ACTIVITY

▶ CMS reports many denials related to
  • Untimely ADR reply
  • Insufficient ADR reply
▶ Audit oversight team primary task include
  • Receive all documentation request
  • Respond to all documentation request
  • Track the outcome
  • Conduct any needed follow up education
  • Initiate the appeals process if necessary
  • Report all audit activity to senior leadership and/or as requested

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MANAGING AUDIT ACTIVITY

▶ Benefits of an Audit Oversight Team

- Well versed on all various audit programs
  - Who can ask
  - Who can send ADRs

- What services are being reviewed
  - Various services throughout hospital or group practice

- What type of audit is being conducted
  - Pre-payment vs post-payment
  - TPE / SMRC / RAC

- Action / Follow up options vary

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MANAGING AUDIT ACTIVITY

For example / Three current ongoing CMS audit programs

▶ Under the TPE audit program
- How TPE works ~ up to 3 rounds
- What happens during the review process
- MACs publish specific services under Part A and Part B
- Provide documentation checklist when possible

▶ Under the SMRC audit program
- One contractor / one website
- Publish current projects
- D & E process

▶ Under the RAC audit program
- 4 RACs / CMS approved issues
  https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Recovery-Audit-Program

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MONITORING AUDIT ACTIVITY

Establish function or process to track or monitor all audit activity

▶ Variety of systems, spreadsheets, tracking systems / programs tools
- Range in degree of sophistication and data collection

▶ Tracking system should include
- Who is requesting documentation
- Date of documentation request
- Type or origin (TPE, SMRC, RAC, etc.)
- Specific patient(s) and date(s) of service
- CPT/HCPCS and ICD-10 codes
- Who is preparing or responsible for documentation reply
  - ○ Hospital or provider point person
- The due date for documentation reply
- Date reply was submitted (Including method of submission)

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MONITORING AUDIT ACTIVITY

▶ Tracking / Monitoring tool should also include

▶ Current status of reply
- Preparing packet
- Submitted
- "pending"

▶ Outcome or results
- Favorable ~ Unfavorable ~ Pending (?)
  - ○ If unfavorable & disagree
  - ○ Consider appeals process if warranted

▶ Observe for trends / recurring issues / providers

▶ Tracking tool should be easy to manage
- Provide needed details & Identify trends
- Identify areas in need of education and/or updating

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MONITORING AUDIT ACTIVITY

▶ Monitoring or Tracking should also include
  • Department or Service specific education
    ○ Include general content of information presented
    ○ Date education conducted
  • Provider specific education
    ○ Include general content of information presented
    ○ Date education conducted
  • Establish time period for improvement
    ○ Confirm noted improvement
    ○ Step ahead of the audit contractor
  • Internal Escalation process
    ○ Services / providers without noted improvement
▶ Proactively use favorable findings
  • Best practices for other departments / services

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CONCLUSION

▶ Review ADRs carefully
  • Know specific services being reviewed
▶ Know how to properly respond to all ADRs
▶ Establish Audit Oversight Team
▶ Awareness of all possible audits
  • Types / services / time period
  • Who can ask
▶ Implement tracking and monitor process and system
  • East to use & maintain
  • Provides adequate details
▶ Conduct necessary follow up education
  • Develop reactive and proactive education

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CONCLUSION

- ▶ Access available resources
  - CMS / MAC list serve updates
    - ○ Webinars / ODF / newsletters
  - Other Federal agency list serve updates
    - ○ OIG
- ▶ Monitor Commercial payers
  - Subscribe to their list serve updates / newsletters / webinars
- ▶ Industry related list serves and email mail updates
  - Becker's / Cain Brothers / AHIP / MGMA

A sound audit monitoring and tracking program will lead to reimbursement that won't be recouped down the line!

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QUESTIONS ??

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THANK YOU!