Simple Solutions for Optimizing SNF Therapy and Nursing Revenue Cycle Compliance

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HCCA 25th Annual
Compliance Institute

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Our 'Why'

Proactive vs Reactive

Improved Quality of Patient Care

Centralized Process

Revenue Cycle Compliance

Increased Clean Claims and Proper Reimbursement

Layered Accountability

Transparency of Intent

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Incorporate components of revenue cycle into the compliance work plan.

2

Utilize ADR and denial analytics to identify gaps and opportunities in revenue compliance.

1

Identify solutions and best practices to enhance integrity of claims.

Session Goals

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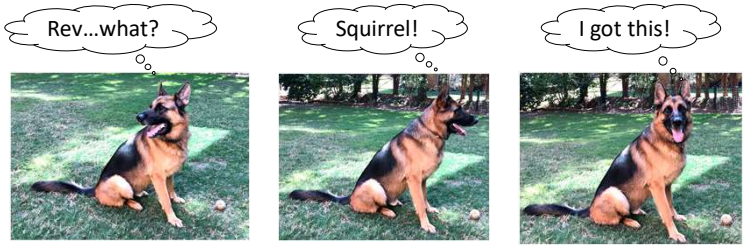
Poll One

Is revenue cycle review included as part of your compliance activities such as audits, risk assessment, work plans, meetings, etc.?

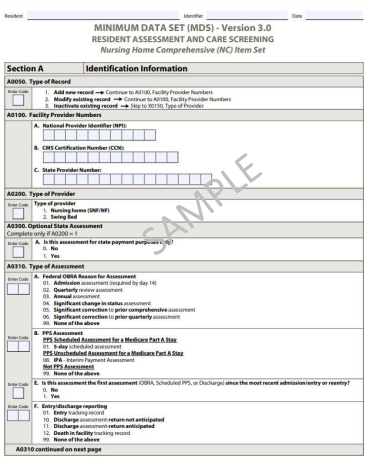
A. Yes
B. No
C. I don't know



Session Breakdown

1. Front-End Compliance
2. Mid-Cycle Compliance & Pre-billing process
3. Back-End Compliance
4. COVID-19 Considerations
5. Workplan Considerations

MEDICAL RECORDS



MINIMUM DATA SET (MDS) - Version 3.0
RESIDENT ASSESSMENT AND CARE SCREENING
Nursing Home Comprehensive (NC) Item Set

Section A | **Identification Information**

A0050. Type of Record
Enter Code: 1. **Add new record** → Continue to A0100, Facility Provider Numbers; 2. **Modify existing record** → Continue to A0100, Facility Provider Numbers; 3. **Inactivate existing record** → Skip to X0150, Type of Provider

A0100. Facility Provider Numbers
A. **National Provider Identifier (NPI):**
B. **CMS Certification Number (CCN):**
C. **State Provider Number:**

A0200. Type of Provider
Enter Code: **Type of provider** 1. **Nursing home (SNF/NF)** 2. **Swing Bed**

A0300. Optional State Assessment
Complete only if A0200 = 1
Enter Code: A. **Is this assessment for state payment purposes?** 0. **No** 1. **Yes**

A0310. Type of Assessment
Enter Code: A. **Federal OBRA Reason for Assessment** 01. **Admission** assessment (required by day 14) 02. **Quarterly** review assessment 03. **Annual** assessment 04. **Significant change in status** assessment 05. **Significant correction** to **prior comprehensive** assessment 06. **Significant correction** to **prior quarterly** assessment 99. **None of the above**
Enter Code: B. **PPS Assessment** **PPS Scheduled Assessment for a Medicare Part A Stay** 01. **5-day** scheduled assessment **PPS Unscheduled Assessment for a Medicare Part A Stay** 08. **IPA** - Interim Payment Assessment **Not PPS Assessment** 99. **None of the above**
Enter Code: E. **Is this assessment the first assessment** (OBRA, Scheduled PPS, or Discharge) **since the most recent admission/entry or reentry?** 0. **No** 1. **Yes**
Enter Code: F. **Entry/discharge reporting** 01. **Entry** tracking record 10. **Discharge** assessment-**return not anticipated** 11. **Discharge** assessment-**return anticipated** 12. **Death in facility** tracking record 99. **None of the above**

A0310 continued on next page

https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/MDS30RAIManual

HEALTH INSURANCE CLAIM FORM

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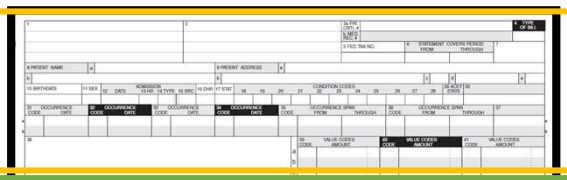
1 **FRONT-END**

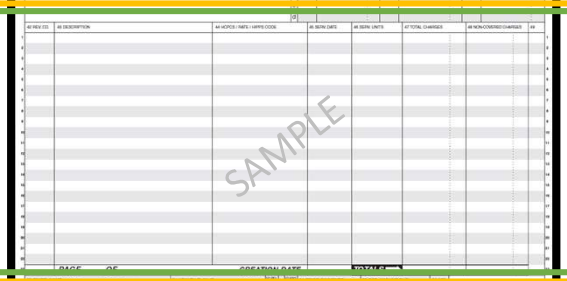
Administrative
- Intake Process



Patient Information
Provider information
Relevant Intake Dates

2 **MID-CYCLE**

Revenue Integrity
- Clinical Capture
- Charge Capture



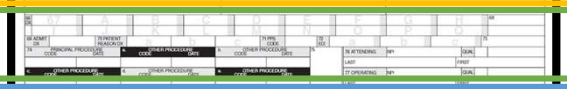
Assessment/Service Date
Billing (Units, Minutes)
Coding (HIPPS, HCPCS)
Modifiers

1 **FRONT-END**

Administrative
- Intake Process

Payer Information

2 **MID-CYCLE**
- Clinical Capture



ICD-10 Diagnosis Codes

SPECIAL SITUATIONS

Remarks

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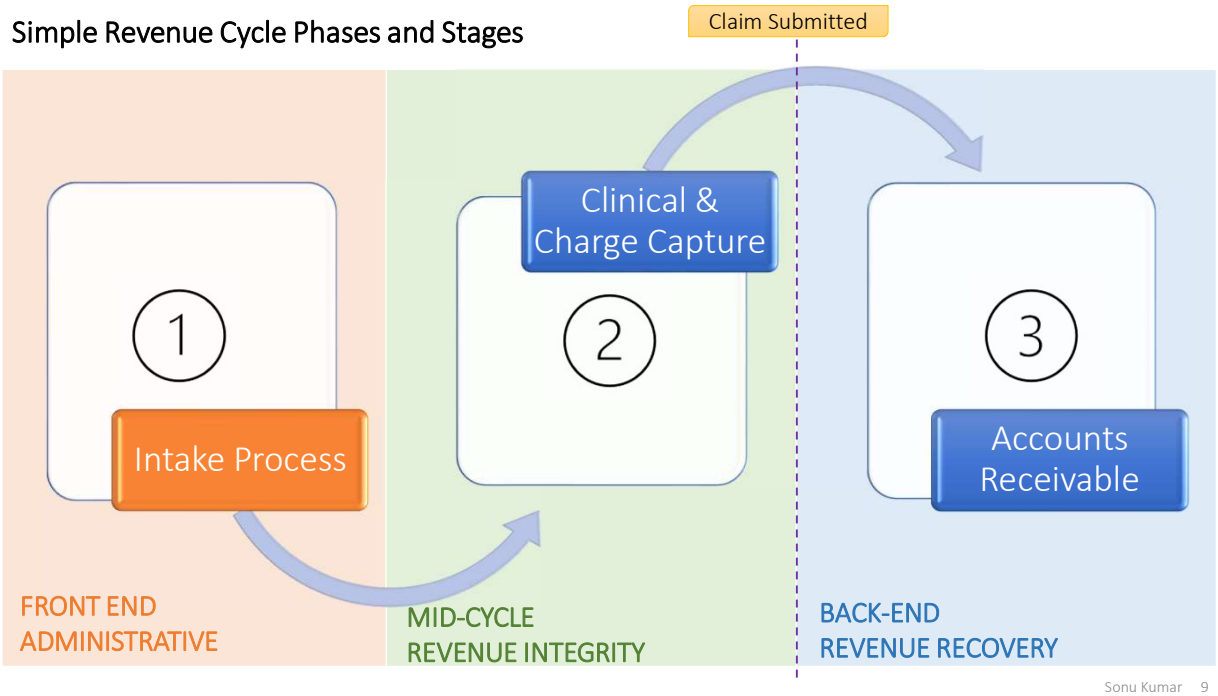
Simple Revenue Cycle Phases and Stages



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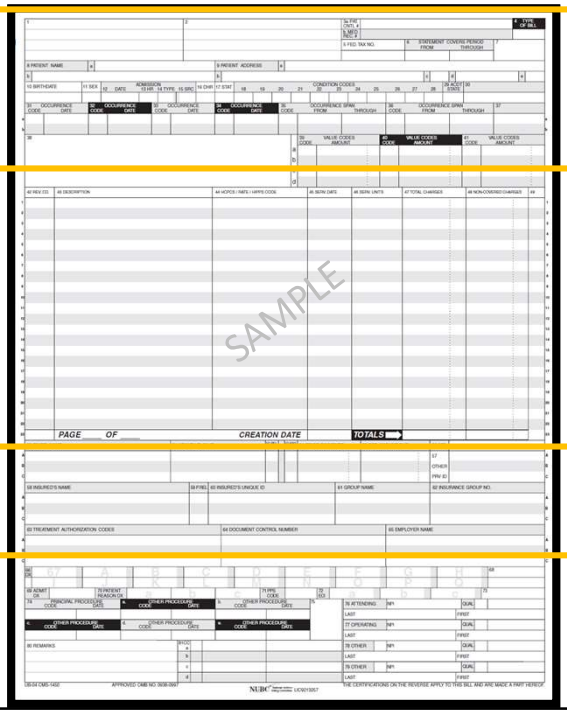
FRONT-END

Administrative
- Intake Process



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FRONT-END

Administrative
- Intake Process

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Front End - Administrative – Intake Process

UB04 FL	UB04 Field Locator Name
FL 3	Control Number, Medical Record Number
FL 4	Type of Bill
FL 8-11	Patient Information
FL 12	Admission Date
FL 35-36	Occurrence Span Date From / Through
FL 38	Provider Information
FL 60-65	Payer Information

Note:

FL 6	Statement Coverage Dates
FL 17	Status Codes

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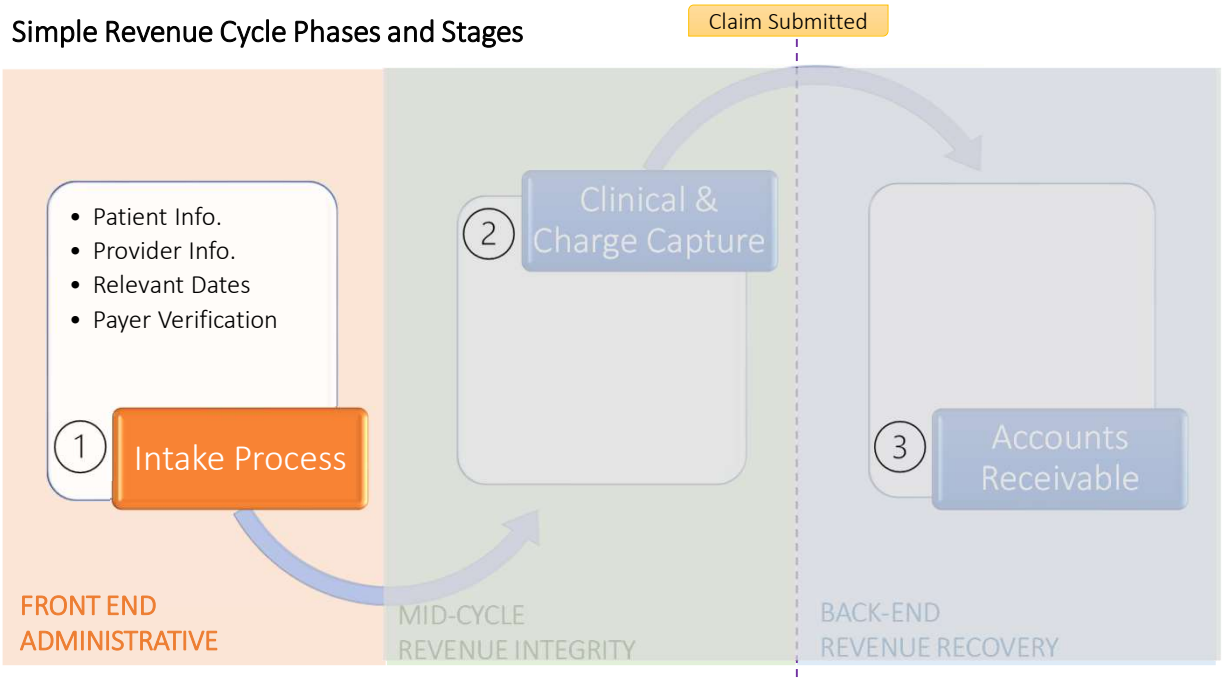
Simple Revenue Cycle Phases and Stages



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- Hospital Example -

MATTERS®

KNOWLEDGE • RESOURCES • TRAINING

Review of Hospital Compliance with Medicare's Transfer Policy with the Resumption of Home Health Services & Other Information on Patient Discharge Status Codes

MLN Matters Number: SE21001 | Related Change Request (CR) Number: N/A

Article Release Date: February 22, 2021 | Effective Date: N/A

Related CR Transmittal Number: N/A | Implementation Date: N/A

PROVIDER TYPES AFFECTED

This MLN Matters Special Edition (SE) Article is for hospitals that submit claims to Medicare Administrative Contractors (MACs) for services provided to Medicare patients.

WHAT YOU NEED TO KNOW

The Office of Inspector General (OIG) has conducted several reviews identifying Medicare overpayments to hospitals that didn't comply with Medicare's post-acute care transfer policy. The OIG found that some hospitals transferred inpatients to certain post-acute care settings but coded the patient discharge status as a discharge to home. To assure proper payment under the Medicare Severity-Diagnosis Related Group (MS-DRG) payment system, hospitals must be sure to code the discharge/transfer status of patients accurately to reflect the patient's level of post-discharge care.

The OIG review, August 2020 Report No. A-04-18-04067, identifies Medicare overpayments to hospitals that didn't comply with Medicare's post-acute-care transfer policy (transfer policy). In these instances, to ensure proper coding of the patient discharge status, hospitals should use condition codes 42 and 43. This article addresses these OIG reviews and provides guidance on the proper coding of patient status codes and the use of condition codes 42 and 43.

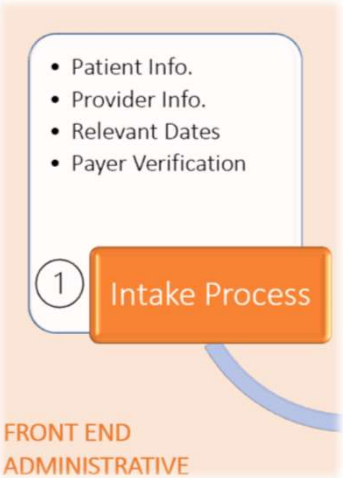
BACKGROUND

You're responsible for coding the discharge bill based on the discharge plan for the patient, and if you later learn that the patient received post-acute care, the hospital should submit an adjustment bill to correct the discharge status code following Medicare's claim adjustment criteria located in the Medicare Claims Processing Manual, Chapter 1, Section 130.1.1 and Chapter 34.

Patient discharge status codes are part of the Official UB-04 Data Specifications Manual and are used nationwide by institutional, private, and public providers, and payers of health care claims. The National Uniform Billing Committee (NUBC) develop and maintain the data elements and codes. To assist in the proper coding of patient discharge status code, you may access data elements, codes, and FAQs by referring to the UB-04 Data Specifications Manual at https://www.nubc.org/subscription-information. (Note: your organization may need to subscribe.)

https://www.cms.gov/files/document/se21001.pdf

Common Challenges and Possible Outcomes Front End - Intake Process



IF…

- Incorrect and/or missing patient information
- Incorrect and/or missing provider information
- Incorrect payer/benefit; preauthorization not on file
- Incorrect or overlapping dates

THEN…

- Delayed payment
- Claim rejections
- Non-covered charges
- Duplicate claim denials

Session Checkpoint

- Perspectives
- Purpose
- UB Data Elements
- Front End

NEXT

- Mid-Cycle

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MID-CYCLE

Revenue Integrity
- Clinical Capture
- Charge Capture

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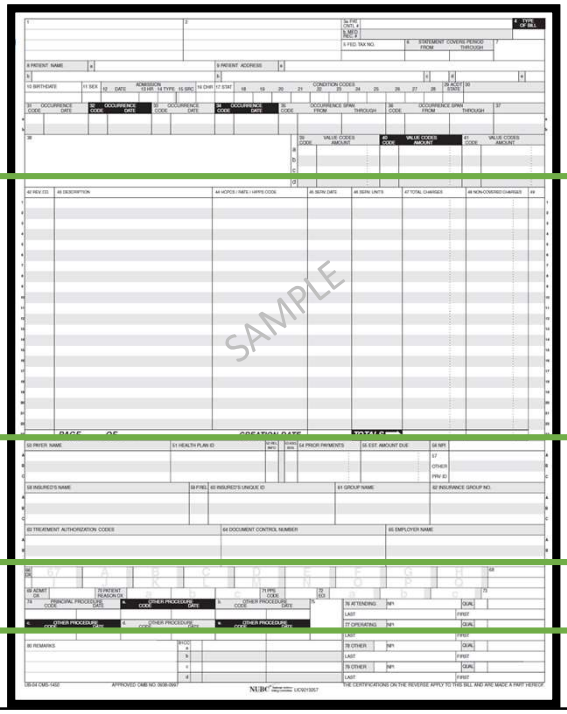
MID-CYCLE
- Clinical Capture



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Mid-Cycle - Revenue Integrity – Clinical & Charge Capture

UB04 FL	UB04 Field Locator Name
FL 42	Revenue Codes
FL 43	Description of Service
FL 44	HCPCS/Rate/HIPPS
FL 45	Service Date
FL 46	Service Units
FL 47	Total Charges
FL 48	Non-Covered Charges
FL 66-75	Primary and Secondary Diagnosis Codes

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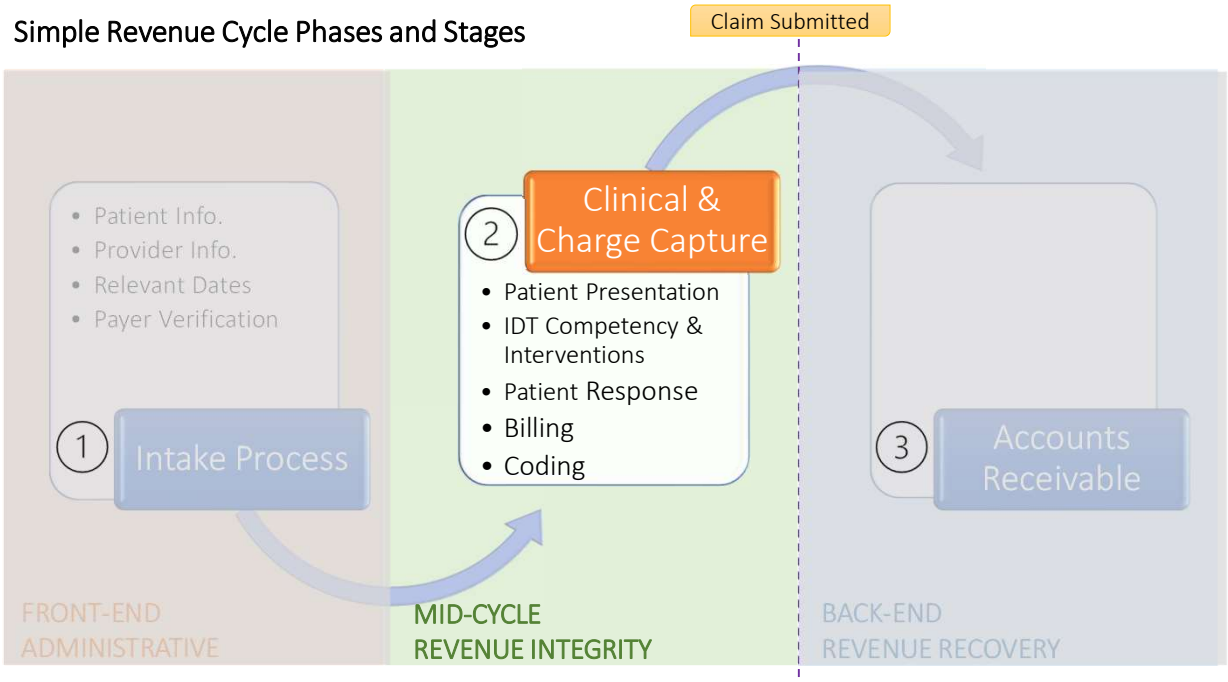
Simple Revenue Cycle Phases and Stages



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Mid-Cycle - Revenue Integrity - Clinical & Charge Capture

MCA	MCB
• Signature Requirements	• Signature Requirements
• Medical Necessity	• Medical Necessity
• Skilled Need	• Skilled Need
• ICD-10 diagnosis code	• ICD-10 diagnosis codes
• HIPPS, HCPCs	• CPTs (service-specific)
• Hospital stay	• MUE/PTP
• Etc.	• Etc.

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Example: MCA Clinical and Charge Capture

A B C D E

	42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES	49
1	0022		OJXF1		14	0.00		1
2	0120			10/15/20	3	1795.86		2
3	0120			10/18/20	11	5499.89		3
4	0250				28	177.02		4
5	0420				21	679.23		5
6	0424				1	80.29		6
7	0430				25	846.07		7
8	0434				1	90.78		8
9	0440				6	466.38		9
10	0444				1	192.68		10
11								11

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Example: MCB Clinical and Charge Capture

A B C D E

42 REV CD.	43 DESCRIPTION	44 HCPCS / RATES / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CH.	49	
0430	OCCUPATION THER	97110GO	011421	1	29.26			1
0430	OCCUPATION THER	97530GO	011421	1	37.50			2
0430	OCCUPATION THER	97530GOCO	011521	1	37.50			3
0430	OCCUPATION THER	97535GO59CO	011521	2	64.88			4
0430	OCCUPATION THER	97530GO	011821	1	37.50			5
0430	OCCUPATION THER	97530GOCO	011921	2	75.00			6
0430	OCCUPATION THER	97535GO59CO	011921	1	32.44			7
0430	OCCUPATION THER	97530GOCO	012021	2	75.00			8
0430	OCCUPATION THER	97530GOCO	012121	2	75.00			9
0430	OCCUPATION THER	97530GOCO	012521	1	37.50			10
0430	OCCUPATION THER	97535GO59CO	012521	2	64.88			11
0430	OCCUPATION THER	97110GO	012721	2	58.52			12
0430	OCCUPATION THER	97530GOCO	012721	1	37.50			13
0430	OCCUPATION THER	97110GOCO	012821	1	29.26			14
0430	OCCUPATION THER	97530GOCO	012821	2	75.00			15
0430	OCCUPATION THER	97530GOCO	012921	1	37.50			16
0430	OCCUPATION THER	97535GO59CO	012921	2	64.88			17
0430	OCCUPATION THER	97530GOCO	013121	2	75.00			18
0430	OCCUPATION THER	97535GO59CO	013121	1	32.44			19
0434	OCCUP THEREP/EVAL	97166GO	011421	1	95.26			20
								21

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Comprehensive Error Rate Testing (CERT) Reviews

Claim Selection → Medical Records → Medical Review → Error Rate Calculation → Reporting

Who's Looking?

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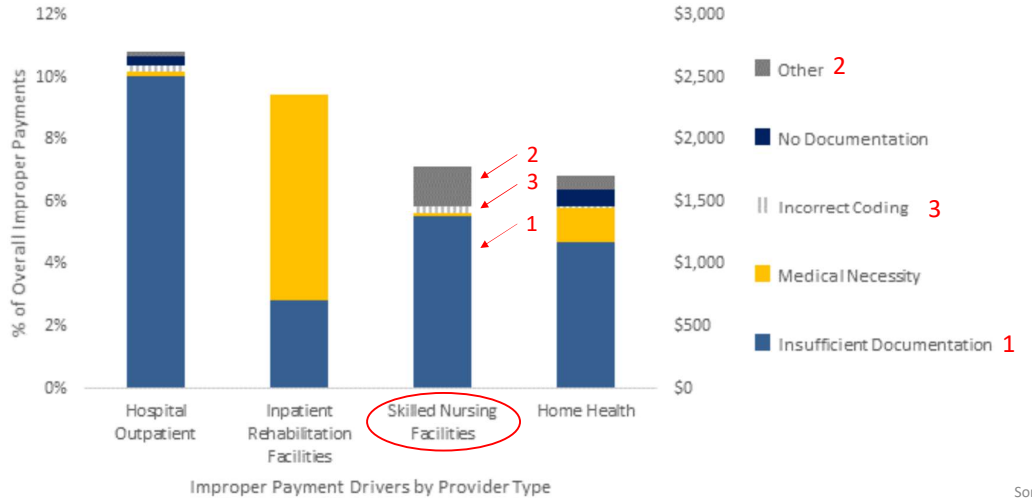
"Skilled nursing facilities (SNF) is defined as all services with a provider type of SNF, including SNF inpatient, SNF outpatient, and SNF inpatient Part B. The projected improper payment amount for SNF services during the 2020 report period was $1.8 billion, resulting in an improper payment rate of 5.4 percent". https://www.cms.gov/files/document/2020-medicare-fee-service-supplemental-improper-payment-data.pdf

Figure 4: Improper Payment Rate Error Categories by Percentage of 2020 National Improper Payments and Improper Payments (in Millions) by Improper Payment Drivers



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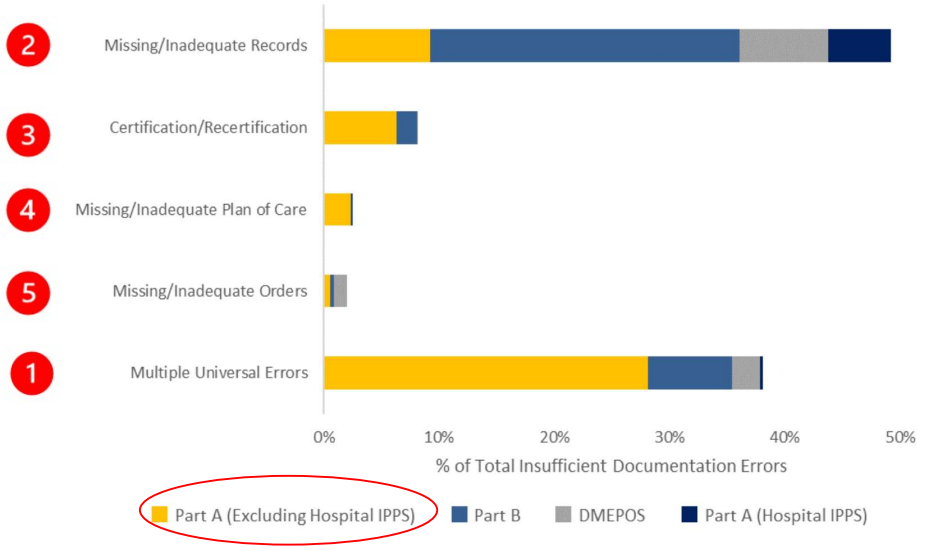
https://www.cms.gov/files/document/2020-medicare-fee-service-supplemental-improper-payment-data.pdf

"Improper payment rate reporting for Part A (Excluding Hospital IPPS) providers … Providers, facilities, and suppliers that submit institutional claims …claim format Uniform Billing (UB)-04, are included in the Part A (Excluding Hospital IPPS) … Examples of providers, facilities, and suppliers that bill using these formats include hospitals, skilled nursing facilities, home health and hospice providers, renal dialysis facilities, comprehensive outpatient rehabilitation facilities, rural health clinics, and federally qualified health centers. These institutional claims may include professional services that may be paid under Part A or Part B, yet are ultimately included in the CERT Part A (Excluding Hospital IPPS) improper payment rate measurement …"

Figure 7: Claim Type Categories by Percentage of Insufficient Documentation Improper Payments by Universal Errors[11]



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Fiscal Year	Reporting Period	CERT Error Rate	Primary CERT Error Reason
2017	October 1, 2016 through September 30, 2017	9.33 %	Insufficient Documentation
2018	October 1, 2017, through September 30, 2018.	6.55 % ↓	Insufficient Documentation
2019	October 1, 2018, through September 30, 2019	8.54 % ↑	Insufficient Documentation
2020	October 1, 2019, through September 30, 2020	5.43 % ↓	Insufficient Documentation

https://www.cms.gov/files/document/2020-medicare-fee-service-supplemental-improper-payment-data.pdf

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2020 CERT REPORT: Key SNF Corrective Actions

Corrective Action	Description
SMRC SNF Reviews*	In FY 2020, the SMRC continued performing medical review activities related to post-payment review of SNF claims. The SMRC shares the results with the MACs for claim adjustment. The providers receive detailed review result letters from the SMRC and demand letters for overpayment recovery from the MAC. These letters include educational information to providers regarding what was incorrect in the original billing of the claim.
RAC SNF Reviews*	During FY 2020, Medicare FFS RACs continued to conduct rapid post pay reviews of SNF services. Medicare FFS RACs continued to identify and collect improper payments related to SNF claims for several factors, including medical necessity and insufficient documentation. In FY 2020, 7.4 percent of Medicare FFS RAC collections were from overpayments identified during SNF claim reviews.
TPE for SNF Reviews*	During FY 2020, HHS continued performing medical review of SNF claims with high improper payment rates under the TPE program. Under the TPE strategy, MACs conduct up to three rounds of review of 20-40 claims per round, with one-on-one education provided at the end of each round. In FY 2020, MACs reviewed approximately 22 SNF providers under the TPE program.

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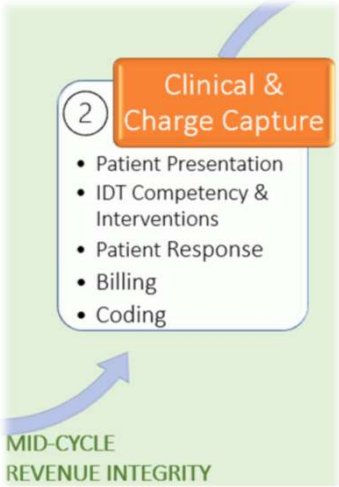
Common Challenges and Possible Outcomes Mid Cycle - Clinical Capture



IF…

- Missing/Invalid item that is required for CoP
- Missing and/or unsupported documentation
- Unsupported and/or incorrect codes (HIPPS, HCPCs, ICD-10, etc.)
- Using outdated MUE and/or PTP Edits

THEN…

- Return to Provider
- Full claim denials
- Line-item denials
- Increased record requests and reviews
- Referral to more aggressive auditor

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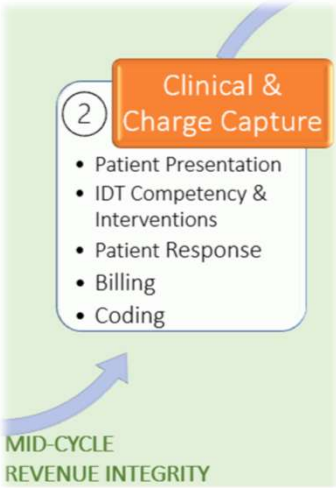
Common Challenges and Possible Outcomes Mid Cycle - Charge Capture



IF…

- Late charge entry and/or missed charges
- Accidental entries/clicks; user error
- EMR documentation templates
- EMR and/or technology limitations
- Workforce limitations

THEN…

- Points of leakage/failure
- Impact to Quality of Care

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Session Checkpoint

- Perspectives
- Purpose
- UB Data Elements
- Front End
- Mid-Cycle

NEXT

- Pre-Billing Process
- Back-End – Accounts Receivable

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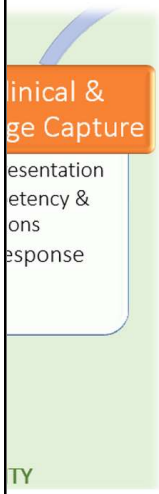
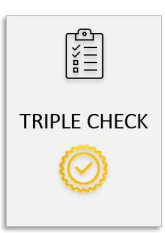
Pre-Billing Processes



Primary objectives include to increase:

- Accurate claim submission
- Timely claim submission
- Clean Claim Rate
- Etc.



Business Office

Nursing & Admin

Therapy Department

MDS Coordinator

Other processes?

Claim Submission

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Poll Two

Does your Billing team and Accounts Receivable team work with Compliance to identify claim trends?

A. Billing and Compliance work together.
B. Accounts Receivable and Compliance work together.
C. Both work with Compliance.
D. Neither know that compliance exists.
E. I don't know

Billing

Accounts Receivable

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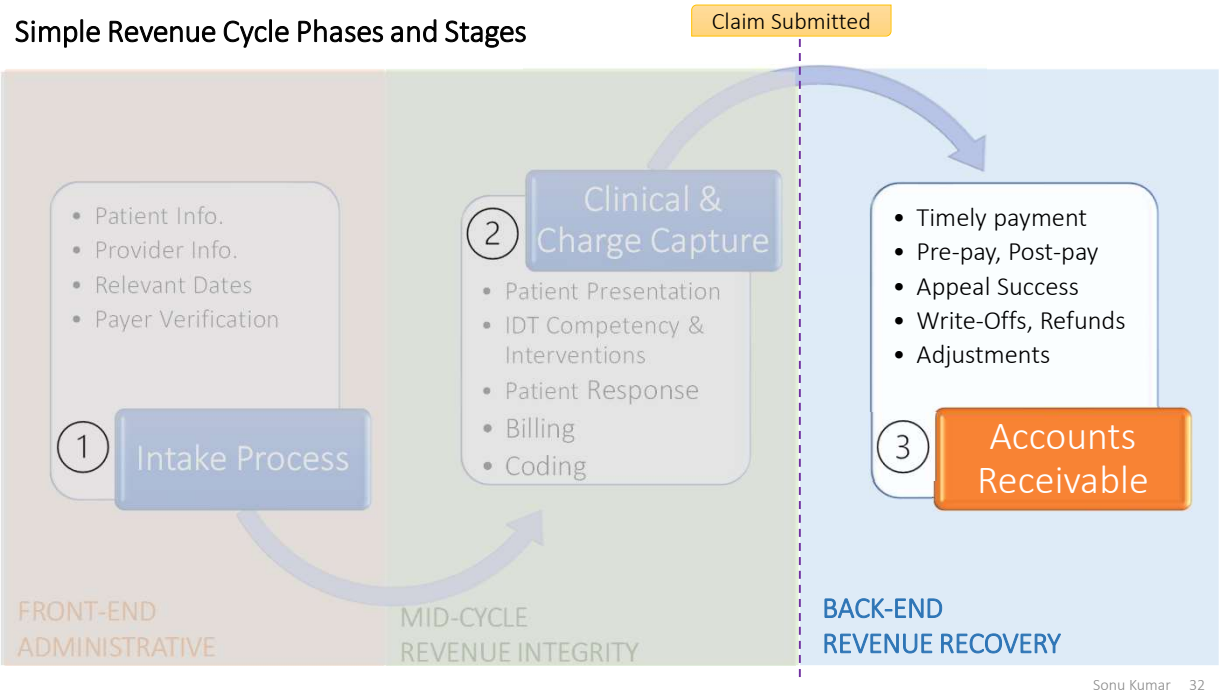
Simple Revenue Cycle Phases and Stages



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National Acceptable Denial Percentages per MAC
[SNF and LTC]

"The error percentage that qualifies a provider/supplier as having a high denial rate varies based on the service/item under review. The Medicare Fee-For-Service improper payment rate for a specific service/item or other data may be used in this determination, and the percentage may vary by MAC."

Reference: https://www.cms.gov/files/document/updated-tpe-qas.pdf

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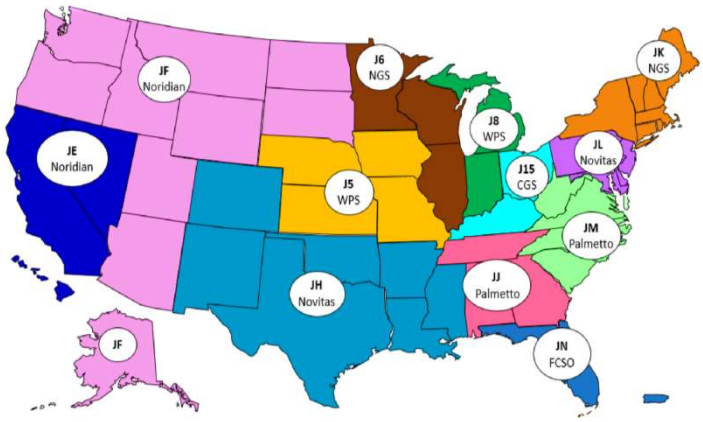
Part A/B Medicare Administrative Contractors

- Palmetto GBA, LLC
- Novitas Solutions, Inc.
- CGS Administrators, LLC
- First Coast Service Options, Inc.
- National Government Services, Inc.
- Noridian Healthcare Solutions, LLC
- Wisconsin Physician Services Government Health Administrators



***REFERENCE**: https://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/Downloads/AB-Jurisdiction-Map-Jun-2019.pdf*

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Medicare | Medicaid/CHIP | Medicare-Medicaid Coordination | Private Insurance | Innovation Center | Regulations & Guidance | Research, Statistics, Data & Systems | Outreach & Education

Back to Proposed RAC Topics

0190-Skilled Nursing Facility with Patient-Driven Payment Model: Medical Necessity and Documentation Requirements

Issue Name	0190-Skilled Nursing Facility with Patient-Driven Payment Model: Medical Necessity and Documentation Requirements
Date	2020-09-08
Review Type	Complex
Provider Type	SNF
MAC Jurisdiction	All A/B MACs

Description

Medicare only pays for services that are reasonable and necessary for the setting billed. Skilled Nursing Facility (SNF) care is considered a post-hospital extended care service that represents an extension of care for a condition which the individual received inpatient hospital services.

https://www.cms.gov/node/1376831

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Common Challenges and Possible Outcomes Back End - Accounts Receivable

IF…

- Interdepartmental inefficiencies; poor/missed collaboration
- Gaps or break-down in follow-up and follow through process
- Lack of claim status tracking
- No response to record requests

THEN…

- Missed deadlines
- Delayed payments
- Recoupments; aging of claims
- Claim Denials
- Inability to regain lost revenue
- Ineffective insights and CAPA

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Session Checkpoint

- Perspectives
- Purpose
- UB Data Elements
- Front End
- Mid-Cycle
- Pre-Billing
- Back-end

NEXT

- COVID-19 Considerations

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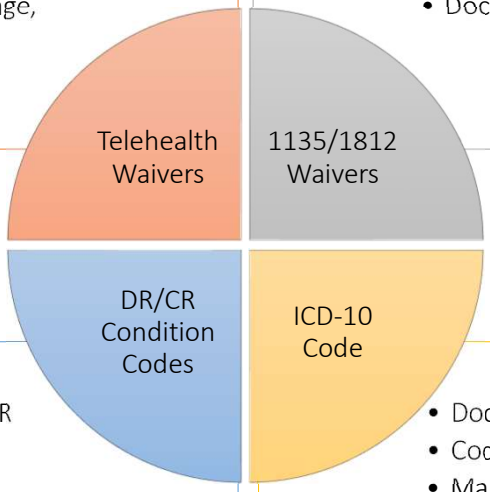
COVID-19 Considerations

- Payer specific coverage, requirements

- Documentation



- Support of CR and DR modifiers

- Documentation
- Coding
- Mapping (RTP)

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Session Checkpoint

- Perspectives
- Purpose
- UB Data Elements
- Front End
- Mid-Cycle
- Pre-Billing
- Back-End
- COVID-19 Considerations

- Work Plan

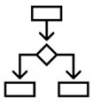
Workplan

MEASURES

- Claim rejections, technical denials
- Missing pre-authorizations
- Incomplete capture of complexities/characteristics
- Medical record request triggers; pre or post pay
- Denial rate and reason(s)
- Appeal success rate and level(s) and payer(s)
- Line-item denials tracking and reason
- Write-offs/credits/refunds tracking
- Recoupment and/or adjustments
- RTPs and reason
- Issues with duplicate claim submission
- Utilization Review results (ICD-10, HCPCs, HIPPS)
- Etc.

Include:
- training
- auditing
- monitoring

Workplan



PROCESS

- Gather and enter patient data accurately and completely
- Obtain/review full hospital records (dates, qualifying stay, etc.)
- Payer verification and preauthorization process
- Review effectiveness of meetings (triple checks, care plan, etc.)
- Evaluate and improve clinical acuity and documentation accuracy
- Clinical competency assessment/evaluation, training carryover
- Implement tools (standardized forms, checklists, decision charts)
- Analyze outcomes of payer reviews
- Conduct internal reviews
- Incorporate quarterly updates (Mapping, PTP/MUE, etc.)
- Identify and formalize ownership and accountability
- Etc.

Include:
- training
- auditing
- monitoring

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Workplan

PEOPLE

- Admissions, Pre-admissions
- Nursing / MDS Coordinator
- Administrator
- Physician
- Compliance
- Business Office Manager/Biller
- Therapy Department
- EMR Vendor
- IT Department
- ADR and Denial Team
- Medical Records
- C-Suite stakeholders, Other
- Managers, Other
- Etc.

Include:
- training
- auditing
- monitoring
- accountability

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Workplan

TECHNOLOGY

- Implement pop-up messages, alerts, verifications
- Customize analytics/reports
- Import billing/coding regulatory policy updates
- Medical record retention
- Etc.

Include:
- training
- auditing
- monitoring

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Workplan

POLICIES and PROCEDURES

- Revenue Cycle SOP
- Billing and Coding Policy and Procedures
- Billing Department Policy and Procedures

Include:
- training
- auditing
- monitoring

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Session Checkpoint

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NEXT

- Questions!

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Simple Solutions for Optimizing SNF Therapy and Nursing Revenue Cycle Compliance

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