Compliance and Medical Review: Collaboration at Its Best

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CGS J15 Chief Medical Officer

Agenda

- Why is Medical Review needed?
- How does Medical Review operate?
- What are some of the challenges?
- What are the physician’s/compliance officer’s roles?
- How can we do a better job?

Why is MR Needed?
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• 2015 CERT Improper Payment Rate:
  – 12.1% (percentage of Medicare dollars paid incorrectly)
  – Estimated $43.3 billion paid in error between July 2013 and June 2014
  – Targets for lowering improper payment rates:
    • 11.5% by FY 2016
    • 10.4% by FY 2017
    • 9.4% by FY 2018

Why is MR Needed?

• “Defined benefit” – services and payment:
  – May limit number of covered days, frequency, setting or types of services covered or not covered
  – May be irrespective of patient need
  – Benefit categories – coverage
Why is MR Needed?

- Requirements for coverage:
  - Statutory
  - Federal (CMS-level)
  - Local (Medicare contractors)
- Documentation as a condition for coverage
- Purpose of documentation – treatment/orders vs. medicolegal vs. Medicare payment
  - Care, protection, reimbursement

Why is MR Needed?

- Documentation challenges and consequences:
  - Impact on coverage and payment
  - Data analysis and involvement of multiple Medicare contractors
  - Further scrutiny – OIG, GAO, CERT, Congress, Recovery Auditors, MACs, etc.

How Does MR Operate?
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• Review criteria:
  – Statutes
  – Code of Federal Regulations
  – CMS Rulings
  – National Coverage Determinations (NCDs)
  – CMS Guidance – Internet-Only Manuals (IOMs)
  – Local Coverage Determinations (LCDs)
  – Peer-reviewed publications
  – Compendia/FDA

How Does MR Operate?

• Role of clinical review judgment at CGS:
  – Efforts to reduce the paid claims error rate
  – Fewer claims denied inappropriately; fewer claims appealed
  – Fewer “dead-end” referrals to the Zone Program Integrity Contractor (ZPIC)
  – Reduce the “hassle factor” for providers
  – Not "forgiveness" for poor/inadequate documentation
  – Does not include re-interpretation or reinvention of existing policy to cover the care provided

How Does MR Operate?

• Determines whether a service is:
  – A covered benefit
  – Reasonable and necessary
  – Accurately coded

• Is not:
  – A means to deny claims
  – Fraud investigation
  – “Street justice”
How Does MR Operate?

- Assumptions:
  - Medical Review believes in the "honor system"
  - The provider delivered the service billed and the documentation is accurate
  - The provider submits the claim honestly
  - Clinical judgment should be applied appropriately to pay the claim when payable

CERT Claim Selection

- A stratified random sample is taken by claim type:
  - Part A (excluding acute inpatient hospital services)
  - Part A (acute inpatient hospital services only)
  - Part B
  - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

- Claims are selected on a semi-monthly basis
- The final CERT sample is comprised of claims that were either paid or denied by the MACs

2015 Improper Payments ($ in Billions)

<table>
<thead>
<tr>
<th>Claim Type</th>
<th>Final Payment</th>
<th>Proposed Payment</th>
<th>Improper Payment</th>
<th>% of Claims Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A</td>
<td>$524.9</td>
<td>$527.7</td>
<td>0.5%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Part A (Excluding Hospital)</td>
<td>$473.4</td>
<td>$457.5</td>
<td>10.8%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Part A (Hospital)</td>
<td>$112.4</td>
<td>$97.8</td>
<td>4.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Part B</td>
<td>$39.4</td>
<td>$31.7</td>
<td>12.2%</td>
<td>11.8%</td>
</tr>
<tr>
<td>DMEPOS</td>
<td>$20.9</td>
<td>$17.2</td>
<td>15.9%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Total</td>
<td>$706.2</td>
<td>$652.3</td>
<td>6.9%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>
## CERT Errors

<table>
<thead>
<tr>
<th>Type of Error</th>
<th>Part A Services Excluding Hospital IPPS (TOB)</th>
<th>Projected Improper Payments</th>
<th>Improper Payment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health</td>
<td>$10,081,911,400</td>
<td>59.0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>SNF Inpatient</td>
<td>$3,510,926,699</td>
<td>10.4%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Hospital Outpatient</td>
<td>$2,526,045,543</td>
<td>4.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Hospital Inpatient (Part A)</td>
<td>$1,838,847,595</td>
<td>29.7%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Nonhospital based hospice</td>
<td>$1,428,981,208</td>
<td>10.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Clinic ESRD</td>
<td>$880,079,457</td>
<td>7.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>SNF Inpatient Part B</td>
<td>$360,947,440</td>
<td>19.4%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### What Are Some of the Challenges?

- **Appropriate setting (i.e., inpatient vs. outpatient):**
  - Hospital IPPS improper payment rate for the 2015 report period = 7.4%
  - Improper payment rate for inpatient hospital stays of one day or less = 27.8%
What Are Some of the Challenges?

- Observation vs. inpatient (2MN rule):
  - Certification:
    - Reason for inpatient or observation admission
    - No specific format required
  - Order:
    - Who can write the order?
    - Timing of orders
    - Authentication
    - Specificity
  - Expected length of stay:
    - Reasonable and necessary
    - Rationale

- An order simply documented as "admit" is vague.
- A clearly worded order, such as "inpatient admission" or "place patient in outpatient observation", will ensure appropriate patient care and prevent hospital billing errors.
- Order should match medical needs and rationale as documented in the record.

What Are Some of the Challenges?

- Elective admissions, one day stays, IP only list
- Medical co-morbidities and risk
- Outpatient procedures
- Skilled Nursing Facility (SNF) qualifying stay
- Diagnostic studies & how results affect further care
- Ignored specialty consultations
- Documentation of medical decision making
What Are Some of the Challenges?

- Documentation:
  - Demonstrate medical necessity and reflect care provided
  - Nature/type of service provided
  - Clear rationale
  - Consistency of information throughout the record
  - "Technical" requirements (e.g., dated signature, order specificity)
  - Part A documentation that does not prove medical necessity

Physician/Compliance Officer Roles

- Cloning and templating:
  - Documentation is exactly the same from beneficiary to beneficiary (i.e., "cloned").
  - It would not be expected that every patient had the exact same problem, symptoms, treatment, etc.
  - Templated records all look the same.
  - It would not be expected that a patient had the same findings at each visit.
  - This type of documentation can result in a medical necessity denial and recoupment of payment.

Physician/Compliance Officer Roles

- Timeliness, changes and addenda:
  - We strongly encourage all health care providers to enter information into the patient's medical record at the time the service is provided to the patient; that is, contemporaneously.
  - Changes and addenda should be dated and properly authenticated.
  - The nature and intent of any addendum must be clear.
Physician/Compliance Officer Roles

- **Coding:**
  - Role of coders: Select CPT/HCPCS codes, modifiers and ICD-10 codes based on physician’s documentation and with physician’s input.
  - A correct ICD-10 code ≠ medical necessity.

- **Responding to ADRs:**
  - Who gathers and copies documentation? — trained staff, timeline for responses, what to send and to whom, quality control
  - Addressing insufficient documentation errors

Physician/Compliance Officer Roles

- **Coding**
- Clinical review judgment
- Consistency across disciplines
- Cloning, EMR, templating and scribing
- Certification: PT/OT/SLP plans of care, SNF, IRF

Insufficient Documentation

- Different from “Not Medically Necessary”
- What’s missing?
  - Portions of the Part A record
  - Part B record (or summary thereof) documenting conservative therapy
  - Missing orders/missing signatures
  - Untimely entries
Resources

- CGS website: http://cgsmedicare.com
  - CERT
  - Medical Policies
  - Medical Review Contractors
- CGS quarterly compliance meetings
- CMD.inquiry@cgsadmin.com
- Provider Outreach and Education:
  J15_PartA_Education@cgsadmin.com