OIG AUDITS
What to Expect and How to Prepare

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Overview

✓ OIG’s selection process
✓ Typical areas of focus
✓ How to best manage the gathering & submission of information
✓ Timing and what to expect
✓ Communication and management of leadership expectations
✓ Appeals
✓ Questions
OIG Selection Process
How YOU Look to the Auditors

› RAC – Medicare Recovery Auditors National

› NGS Medicare– Local MAC

› CERT – Medicare Comprehensive Error Rate Testing National

› PEPPER Program for Evaluating Payment Patterns Electronic Report National

PEPPER

› PEPPER reports National
  ◦ Program for Evaluating Payment Patterns Electronic Report (PEPPER)
  ◦ National High Outlier Ranking Report Ranks Hospitals Quarterly
  ◦ Link: www.pepperresources.org
OIG Focus Areas

- OIG Work Plan – available on online

- High error rates in other audits
  - RAC
  - CERT/ Comprehensive Error Rate Testing
  - Medicare contractors

Typical Areas of OIG Focus

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<th>Risk Areas for Review</th>
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<tr>
<td>Manufacturer Credits for Replaced Devices</td>
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<tr>
<td>Inpatient Rehabilitation</td>
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<td>Inpatient High Severity Level DRGs</td>
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<td>Outpatient Modifier 25 for Separate Evaluation and Management Services (E/M)</td>
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<td>Outpatient Modifier 59 for Distinct Services</td>
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<td>Dental Claims</td>
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<td>Outpatient Drug Claims: Herceptin and others</td>
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How Best to Manage the Audit

- Gathering Information
- Assembling a Response Team
- Identifying Internal and External Resources
- Responding to Auditor Questions
- Managing the Data
- Submission of the Audit Materials

Recommendations for Communication within the Organization

- Managing leadership expectations
- Ongoing and regular communications
- Communication with finance
- Level setting
- Remember you are immersed in it but leadership may not be
Recommendations for Communicating with the Auditors

- Keep track of everything!
- Produce everything to fully support your claim
- The topic selected for review will not be the only item reviewed
- Use your team to present support for your position during the audit

What to Ask for During the Audit

- Exclude previously audited RAC claims
- Exclude claims that were not final claims
- Exclude any other claims previously repaid
- Enough identifiers for each case to easily identify the claims in your internal system
- Universe for each sample category
  - May not receive it until the audit is concluded
What Helps to Support Claims During the Audit?

- Documentation from physicians for inpatient admission versus outpatient observation
  - Reasons for ordering inpatient admission
  - Physician partnership and involvement

- Coding guidelines – Coding Clinic

Appeals & Denials
Appeals

- What to Expect
- Resources to support your appeals
  - Engaging a consultant
  - Obtain a contact at the Medicare MAC
  - Filing appeals as one batch

Appeals – Multiple Levels

- Plan for Multiple Levels of Appeal
- Identify Appeal Decisions/Denials
  - Track
    - Respond timely with records
    - Appeal timely
    - Report internally
Appeal Levels

Appealing Medicare Decisions

There are five levels in the claims appeal process under Original Medicare:

- Level 1: Redetermination by a Medicare Administrative Contractor (MAC)
- Level 2: Reconsideration by a Qualified Independent Contractor (QIC)
- Level 3: Hearing before an Administrative Law Judge (ALJ)
- Level 4: Review by the Medicare Appeals Council (Appeals Council)
- Level 5: Judicial review in United States (U.S.) District Court

Make all appeal requests in writing.


Appeals – Things to Watch!

- Timing and Deadlines
- Watch for Denial Letters! Who receives them?
- Decisions
- Expectations
Questions?

Thank you