HCCA 2018 Boston Regional Compliance Conference:

Leveraging Data to Enhance Billing Compliance Monitoring and Auditing Activities

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**Agenda**

- Making the case and coming up with ideas for data mining
- Sample Risk Areas to Monitor
  - Medicare short stays (Observation and Inpatient) – Every Medicare Contractor
  - Medicare Post-Acute Transfers (Condition codes 42/43 on inpatient claims) – New OIG Work Plan Item
  - Outpatient Intensity Modulated Radiation Therapy (IMRT) – OIG Work Plan
  - Right Heart Catheter and Biopsy – OIG Work Plan
  - Condition codes 42/43 on inpatient claims – New OIG Work Plan Item
  - Outlier Payments – OIG Hospital Compliance Reviews
  - Claims with Payments Exceeding Charges – OIG Hospital Compliance Reviews
  - Drug unit billing – new challenges (JW, JG) – OIG Work Plan
  - Emergency Department E&Ms – New PEPPER Metric

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**Data Mining/Dashboarding Ideas**
Reasons to do Data Monitoring

- Public dissemination of data by government (physician payment data, Sunshine Act, etc.) increases the importance of keeping on top of the data
- Can facilitate benchmarking and defining focused risk area reviews.
- Limited Compliance resources make more efficient monitoring important – process allows the review of only specific cases identified in data mining.
  - Can help identify problematic claims before the RAC does – including ones not on the radar screen as a risk.
  - Makes you try to think like a MAC, RAC or OIG… if they move away from random reviews shouldn’t you?
- Sometimes you find revenue opportunities
- Provides a Dashboard to assist in the grading of effectiveness
- Can facilitate more immediate feedback to operational areas during reviews

The Billing Data Mining Process

- Compile and analyze claims or billing data
- Assess practice patterns and compare patterns historically or to appropriate peer group
- Identify outliers and aberrant billing practices – potential over- or under-utilization
- Review sample of claims to understand practice patterns – Identify need for further analysis
  - Identified data mining risk areas do not equate to errors
- Drill down on individual provider(s)
- Conduct traditional audits on identified problems if needed

Other Considerations with Data Mining

- Identify reliable data sources, trust but verify analytical data capabilities – people or computers
- Duty to complete an investigation within a reasonable period of time (6 months) and repay identified overpayments within 60 days
### Data Mining/Dashboarding Ideas

Data Monitoring – Key Performance/Key Risk Indicators:
- Medicare Short Stays (inpatient and observation)
  - Volume of 1 day stays
  - A (inpatient) to B (outpatient) rehabs
  - Observation units billed & Length of Stay (LOS) = 2 or more
  - Condition code 44 utilization

### Billing Compliance Data Mining & Monitoring Activities

#### Two Midnight Dashboard – Medicare Utilization

<table>
<thead>
<tr>
<th>Date</th>
<th>Total</th>
<th>Inpatient</th>
<th>Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb 15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr 17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun 19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Observation Hours Dashboard – Medicare Utilization

<table>
<thead>
<tr>
<th>Date</th>
<th>Total</th>
<th>Inpatient</th>
<th>Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb 15</td>
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<tr>
<td>Mar 16</td>
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<td></td>
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<tr>
<td>Apr 17</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>May 18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun 19</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Billing Compliance Data Mining & Monitoring Activities
Condition Code 44 – Medicare Utilization

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Inpatient</th>
<th>Outpatient</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case</td>
<td>5,410</td>
<td>7,950</td>
<td>13,360</td>
</tr>
<tr>
<td>Observation</td>
<td>4,376</td>
<td>6,850</td>
<td>11,226</td>
</tr>
</tbody>
</table>

PHS Billing Compliance Investigation – Medicare Post Acute Transfers – New OIG Work Plan Item

- Office of Inspector General (OIG) Work Plan updated in August and added Post Acute Transfers to home health care and the use of specific condition codes which impact inpatient DRG payments under certain conditions
- Preliminary assessment of data to determine whether utilization of these codes (42/43) exist within PHS
- Try to make the majority of work in spreadsheets assessing DRG (Transfer or Special Transfer), comparing geometric mean length of stay to actual length of stay and calculating DRG adjustment amount
- Assessment of related medical record documentation to determine potential overpayments
- Ensure that any inaccurate code assignment processes resulting in potential overpayments are discontinued immediately
- Further data analysis to identify and quantify potential overpayments
- Take necessary corrective actions (i.e., self disclosure, claims reprocessing, education)
- Routine ongoing monitoring of billing data to ensure that any claims with use of these codes going forward are evaluated

PHS Billing Compliance Investigation – Intensive Modulation Radiation Therapy (IMRT)

- Office of Inspector General (OIG) Work Plan updated and added IMRT to the audit plan, identifying specific services that are considered to be bundled into the IMRT planning reimbursement.
- Conducted a preliminary assessment of data to determine whether utilization of these codes scenarios existed – at first glance, not a problem of multiple codes on one claim.
- After further review, it was determined that there was some risk associated with services being provided on a prior date of service.
- Assessment of related documentation, coding and processes to determine the likelihood of potential overpayments.
- Ensured that any incorrect charging processes resulting in potential overpayments were no longer occurring.
- Claims identified and reprocessed.
- OIG inquiry on a sample of claims, which had or were in the process of being adjusted.
- Ongoing monitoring of billing data to detect any claims with use of these codes going forward are evaluated.
PHS Billing Compliance Investigation - Right Heart Cath and Biopsy

- Preliminary assessment of data to determine whether utilization of these code scenarios existed.
- Assessment of related documentation, coding and processes to determine the likelihood of potential overpayments.
- Ensure that any inaccurate code assignment processes resulting in potential overpayments are discontinued immediately.
- Further data analysis to identify and quantify potential overpayments.
- Take necessary corrective actions (i.e., self-disclosure, claims reprocessing, education).
- Routine ongoing monitoring of billing data to ensure that any claims with use of these codes going forward are evaluated.

Billing Compliance Data Monitoring & Auditing

Example of Outlier Payment Observation

- Identified a trend of outlier payments associated with leadless pacemakers. Early in 2017, CMS was only approving coverage of insertion of this device if the care was performed in conjunction with a patient enrolled in a clinical trial. If covered, Medicare payment would be approximately $18,000.
- A number of claims were rejected by Medicare and were appealed with no success as these patients were not enrolled in a clinical trial.
- After failing to overturn on appeal, claims were submitted to be reimbursed for ancillary services (approx. $200). The non-covered procedure code and related operating room charges were removed from the claim. However, the charges associated with the inserted device were left on the claim.
- As a result of the high charges (from the device) and low ancillary service payment, Medicare processed an outlier payment of approximately $3,300.
- Medicare rules state that services and supplies related to non-covered services are therefore also considered non-covered. The outlier payments therefore needed to be returned.
- In late 2017, Medicare began to cover this service for beneficiaries not enrolled in a clinical trial and the problem went away.

Example of Dashboard Data – Payments > Charges
Billing Compliance Data Monitoring & Auditing

• Example of Dashboard Data – Payments > Charges

<table>
<thead>
<tr>
<th>Total Charge</th>
<th>Payment Total</th>
<th>Pay as % of Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>$129</td>
<td>$163</td>
<td>126%</td>
</tr>
</tbody>
</table>

• After inquiry, it was identified that a procedure (CPT 29880) was being performed bilaterally and billed with modifier 50
• After further inquiry, it was identified that the charging routine was not working as intended (bilateral procedure for this procedure should have doubled the charge)
• If the charge had doubled, the payment, which was appropriate, would have been less than the charges submitted ($258 vs. $163)

Billing Compliance Data Monitoring & Auditing

Example of Observation: Payment Greater than Charges

• Identified a population of claim where claim payment was greater than the charges submitted on the claim

Billing Compliance Data Monitoring & Auditing

• Comparative Data: Drug Unit Billing
Billing Compliance Data Monitoring & Auditing

• Comparative Data: Drug Unit Billing

Example of Observation: Waste Drug Unit Billing Data Monitoring
• Bortezomib is a single use vial drug whose vial size is 3.5 mg = 35 billable units. Normal administered range is between 15-35. So, we would expect to see billing that would equal waste (W) and administered amounts totaling 35 units.

<table>
<thead>
<tr>
<th>Account</th>
<th>CPT Code</th>
<th>CPT Modifier</th>
<th>Revenue Code</th>
<th>Units</th>
<th>Line Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>J9041</td>
<td>JW</td>
<td>0636</td>
<td>15</td>
<td>$549</td>
</tr>
<tr>
<td>1</td>
<td>J9041</td>
<td>0636</td>
<td></td>
<td>20</td>
<td>$732</td>
</tr>
<tr>
<td>2</td>
<td>J9041</td>
<td>JW</td>
<td>0636</td>
<td>15</td>
<td>$544</td>
</tr>
<tr>
<td>2</td>
<td>J9041</td>
<td>0636</td>
<td></td>
<td>20</td>
<td>$725</td>
</tr>
<tr>
<td>3</td>
<td>J9041</td>
<td>JW</td>
<td>0636</td>
<td>16</td>
<td>$580</td>
</tr>
<tr>
<td>3</td>
<td>J9041</td>
<td>0636</td>
<td></td>
<td>19</td>
<td>$689</td>
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<tr>
<td>4</td>
<td>J9041</td>
<td>0636</td>
<td></td>
<td>19</td>
<td>$689</td>
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<tr>
<td>5</td>
<td>J9041</td>
<td>JW</td>
<td>0636</td>
<td>16</td>
<td>$580</td>
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<tr>
<td>5</td>
<td>J9041</td>
<td>0636</td>
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<td>19</td>
<td>$689</td>
</tr>
<tr>
<td>6</td>
<td>J9041</td>
<td>JW</td>
<td>0636</td>
<td>15</td>
<td>$544</td>
</tr>
<tr>
<td>6</td>
<td>J9041</td>
<td>0636</td>
<td></td>
<td>20</td>
<td>$725</td>
</tr>
</tbody>
</table>

• While confirming the accuracy of our charging during this time period, we identified 6 scenarios where we missed charging for waste ($580 per case).
Billing Compliance Data Monitoring & Auditing

- Comparative Data

![](chart.png)

### Billboard Compliance Data Monitoring & Auditing

#### Outpatient Audit Results Dashboard – Medicare Utilization

<table>
<thead>
<tr>
<th>#</th>
<th>Target Area</th>
<th>CY17Q1</th>
<th>CY17Q2</th>
<th>CY17Q3</th>
<th>CY17Q4</th>
<th>CY18Q1</th>
<th>CY18Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OP Outlier Payment</td>
<td>134</td>
<td>2</td>
<td>12</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>OP Payment &gt; Charges</td>
<td>584</td>
<td>7</td>
<td>64</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Cardiac Cath Biopsy w Mod</td>
<td>59</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>PTT/PTT Services</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Partial Hospitalization (CC41)</td>
<td>323</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Desensitization Charges (CPT 95180)</td>
<td>220</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Arthroscopic Limited Shoulder Debridement</td>
<td>200</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Key

- **Red** - Data did not meet risk criteria
- **Orange** - Reviewed, no risks were identified
- **Yellow** - Reviewed, risks were identified and corrected
- **Green** - Follow-up has been initiated
- **Pink** - Review in progress