“SUCCESSFULLY NAVIGATING
AND MANAGING TODAY’S WORLD
OF AUDITS”

HCCA REGIONAL CONFERENCE
NEW ORLEANS, LOUISIANA

Diane Weiss, VP Revenue Integrity & Education
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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
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

CURRENT COVID19 CRISIS

Other CMS action

- 2019 Novel Coronavirus (COVID19) **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
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!

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
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
  - 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

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)
REVIEW CONTRACTORS

Specific list of contractors who can request your documentation:

“Review Contractor Directory – Interactive Map”

- 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

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
**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......

**TARGETED PROBE AND EDUCATE (TPE)**

- Begins with Notification Letter
  - Explains the TPE program
    - 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",
    - Ends Round 1
    - No further review on that topic for at least one year
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....

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
**TARGETED PROBE AND EDUCATE (TPE)**

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 or 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

**SUPPLEMENTAL MEDICAL REVIEW CONTRACTOR (SMRC)**

- 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
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/

Access current projects below.
If the project is not listed, please use the Complated Projects.
NOTE: At QMC discretion, not all projects will be made available on this website.
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

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
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

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
    - Fax ~ print fax confirmation page
    - Mail ~ confirm address / USPS options
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 alone Audit Oversight Team
- Team or Department essential for audit success
- Location, contact information, functions and task
  - Published / circulated throughout organization

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
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

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
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)

Tracking / Monitoring tool should also include

- 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
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

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
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!

QUESTIONS ??

Diane Weiss, CPC, CPB, CCP, CHRI
Vice President Revenue Integrity & Education
diane.weiss@RestorixHealth.com
504.460.2991 / 504.609.3294
THANK YOU!