

# Who Are These People and What Do They Want?

Subscriber Audioconference

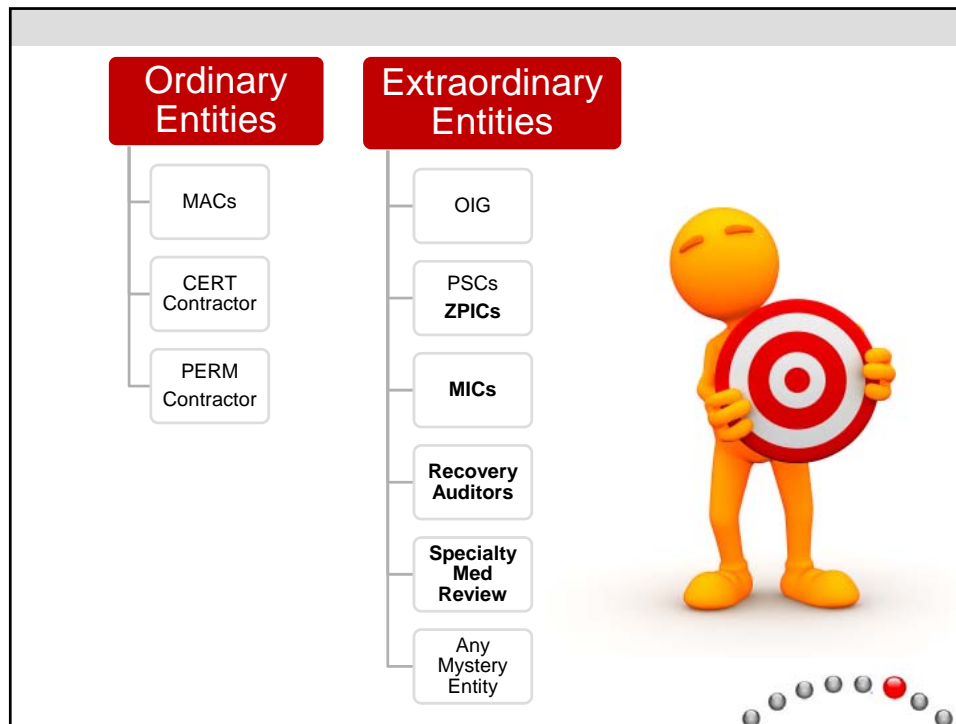
February 2013



## Objectives

- Review ordinary and extraordinary regulatory and investigative entities
- Describe how to identify the type of entity requesting records.
- Explain the difference between a pre and post pay edit.
- List six preparatory steps to be taken for a pre-announced on-site visit.

(c) Hospice Fundamentals 2013



**Provider Compliance Interactive Map**

**Provider Compliance Group Interactive Map**

The Provider Compliance Group Interactive Map allows you to access state-specific CMS contractor contact information. You may receive correspondence from one or several of these contractors in your state. They may request medical records from you, as they perform business on behalf of CMS. You can use this website to access their contact information including emails, phone numbers and websites.

Choose a state...

<http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html#wy>

## MAC Probe Edits

### Ordinary Entities



#### Service Specific

- Usually a 100 claim sample based on a specific service
- Claims randomly selected
- MAC medical review department will publish an article notifying providers when a service-specific review is initiated and an article with results

#### Provider Specific

- 20 to 40 claim samples based on claims from the selected provider.
- Providers notified by letter at start
- Duration of review and % of claims reviewed depends on charge denial rate (% of claim \$\$ denied)

#### Beneficiary Specific Edits (non-probe)

- Follows a patient from hospice to hospice

## Recent MAC Activities

### NHIC – Service Specific

Certification Period      Measurement % Rate

First	5% of all claims billed
Second	10% of all claims billed
Third	15% of all claims billed

### CGS – Service Specific

#### Recent

- Claims > 730 days.
- LOS = 999 days
- 7 days or more of GIP in billing period
- Debility unspecified DX in NF with LOS > 180 days

#### Current

- Debility
- Alzheimer's      LOS > 180 days
- COPD

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## MAC Activities

### Palmetto

- Continues with periodic provider specific edits on non-cancer length of stay
- Invitations issued based on **Non-Cancer Length of Stay** (NCLOS) score

Number of non-cancer beneficiaries with LOS >210  
Total number of non-cancer beneficiaries

NGS – quiet at the moment

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## CERT & PERM Reviews

### Ordinary Entities



Purpose: to determine the payment error rate of the claims processing contractor

- Totally random post-pay review, usually single claim pull
- Expect a call from the MAC if you ignore a CERT record request – your success is their success

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CERT – Medicare Claims

Comprehensive Error Rate Testing Review

PERM – Medicaid Claims

Payment Error Rate Measurement




### Extraordinary Entities

## Their Common Interest

- OIG
- PSCs  
ZPICs
- MICs
- Recovery Auditors
- Specialty Med Review
- Any Mystery Entity

- Did the services that the Medicare (or, in the case of the MICs, Medicaid) system paid for meet the requirements for coverage and payment?
- If not, why not?
- Was there fraud involved?
- How much money should be recouped?
- What other penalties should be levied?




### Extraordinary Entities

## The OIG

- OIG
- PSCs  
ZPICs
- MICs
- Recovery Auditors
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- Any Mystery Entity


- Granddaddy of the extraordinary entities
- Have broad investigative powers and skills devoted to curtailing or eliminating fraud and abuse
- Expect providers to voluntarily participate in that goal through internal compliance programs
- From almost the beginning of the HMB have been paying particular attention to
  - Hospice care in the nursing home
  - Determination of eligibility
- Very good friends with the Department of Justice



### Extraordinary Entities

## With Whom Are You Dealing?


- OIG**  
**Office of Audit Services (OAS)** conducts to examine the performance of HHS programs in carrying out their responsibilities and provide independent assessments of HHS programs and operations.
- PSCs  
ZPICs**  
**Office of Evaluation and Inspections (OEI)** conducts national evaluations that "incorporate practical recommendations and focus on preventing fraud, waste or abuse and encourage efficiency and effectiveness in HHS programs."
- MICs**
- Recovery Auditors**
- Specialty Med Review**
- Any Mystery Entity**



### Extraordinary Entities

## OIG FY2013 Work Plan

- OIG**  
**Hospice Care**
  1. Hospice Marketing Practices and Financial Relationships with Nursing Facilities (OEI)
  2. Hospices - General Inpatient Care (OEI)
- PSCs  
ZPICs**
- MICs**  
**Hospitals**
  3. Acute-Care Hospital Inpatient Transfers to Inpatient Hospice Care (OAS)
- Recovery Auditors**  
**Medical Reviews: Other Medicaid Services & Payments**
  4. Hospice Services: Compliance With Reimbursement Requirements (OAS)
- Specialty Med Review**
- Any Mystery Entity**



**Extraordinary Entities**

## Current Known Activities

OIG	<p><b>OAS</b> Working out of regional offices, carrying out FY2013 Work Plan project looking at how closely Medicaid programs are following payment rules for hospice claims</p>
PSCs ZPICs	
MICs	<p>Ohio: personnel qualifications of staff providing hospice care under Medicaid Missouri: Rhode Island (2012): GIP in SNF</p>
Recovery Auditors	<p><b>OEI</b> Working on projects from the 2013 Work Plan</p>
Specialty Med Review	
Any Mystery Entity	<p><b>OI</b> Not widely shared</p>

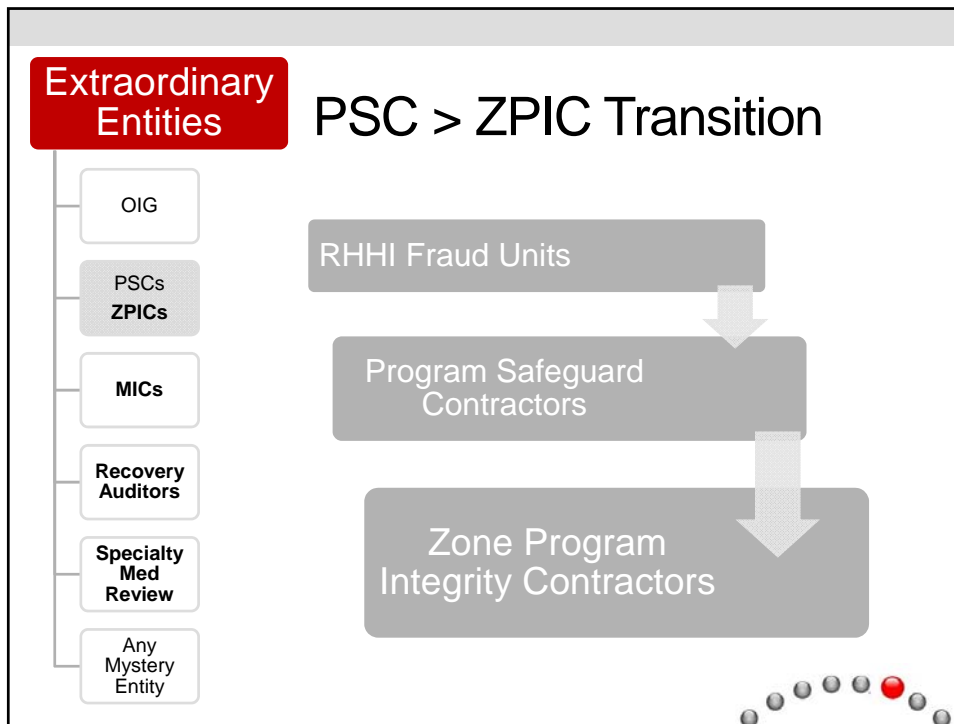
**Extraordinary Entities**

## PSCs > ZPICs

OIG	<ul style="list-style-type: none"> <li>• Currently the most active extraordinary entity in the hospice world</li> </ul>
PSCs ZPICs	<ul style="list-style-type: none"> <li>• Their MO                             <ul style="list-style-type: none"> <li>• Request medical records and conduct medical review to evaluate the identified potential fraud</li> <li>• May also make on-site visits</li> <li>• May or may not share what they are looking for or at</li> <li>• Utilize sophisticated data mining and analysis techniques</li> <li>• Employ extrapolation in determining paybacks</li> </ul> </li> </ul>
MICs	<ul style="list-style-type: none"> <li>• Also good friends with DOJ &amp; law enforcement</li> </ul>
Recovery Auditors	<ul style="list-style-type: none"> <li>• Hospice community is still learning their ways</li> </ul>
Specialty Med Review	
Any Mystery Entity	

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PSC: Program Safeguard Contractors  
 ZPIC: Zone Program Integrity Contractors  
 Transitioning from PSCs to ZIPs as part of payment reform



ZONE	State / Territory
1	CA, NV, American Samoa, Guam, HI and many islands
2	AK, WA, OR, MT, ID, WY, UT, AZ, ND, SD, NE, KS, IA, MO
3	MN, WI, IL, IN, MI, OH and KY
4	CO, NM, OK, TX
5	AL, AR, GA, LA, MS, NC, SC, TN, VA and WV
6	PA, NY, MD, DC, DE and ME, MA, NJ, CT, RI, NH and VT
7	FL, PR and VI



**Extraordinary Entities**

## PSCs > ZPICs

OIG

PSCs  
ZPICs

MICs


Recovery Auditors

Specialty Med Review

Any Mystery Entity

- The primary goal of the Zone Program Integrity Contractors (ZPICs) is **to identify cases of suspected fraud, develop them thoroughly and in a timely manner, and take immediate action** to ensure that Medicare Trust Fund monies are not inappropriately paid out and that any mistaken payments are recouped
- ZPICs are tasked with performing program integrity for Medicare Parts A, B, C, Durable Medical Equipment (DME), Home Health and Hospice (HH +H), and the Medicare-Medicaid data match program (Medi-Medi)

CMS



**Extraordinary Entities**

## Medicaid Integrity Contractors

OIG

PSCs  
ZPICs


MICs

Recovery Auditors

Specialty Med Review

Any Mystery Entity

- Similar function to the ZPICs for Medicaid
- Overall program is the Medicaid Integrity Program (MIP) – operated under jurisdiction of Center for Medicaid & State Operations
- Consists of 3 types of contractors
  - Review MICs
  - Audit MICs**
  - Education MICs
- Have come under criticism by OIG for returns that were not commensurate with investment (across all services)


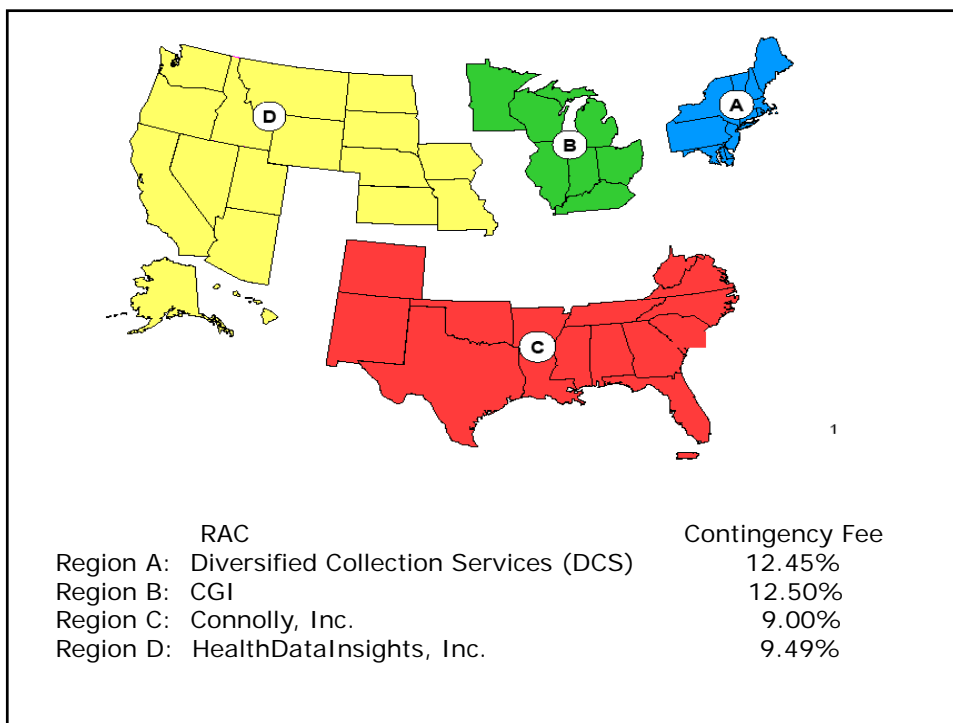


### Extraordinary Entities

## Recovery Audit Program - RACs

- OIG
- PSCs  
ZPICs
- MICs
- Recovery Auditors
- Specialty Med Review
- Any Mystery Entity

- The bounty hunters of the system; paid a % of identified over or underpayments instead of flat fee
- Projects must receive approval from CMS before initiation
- Automated or complex record reviews
- Reviewed test claims for beneficiaries receiving hospice care in the nursing home in 2012; no action to date

### Extraordinary Entities

## Current Hospice Related Audits

OIG	<b>Region C:</b> AL, AR, CO, FL, GA, LA, MS, NM, NC, OK, PR, SC, TN, TX, VI, VA, WV
PSCs ZPICs	Hospice Related Services – Part B <b>Description:</b> Services related to a hospice terminal diagnosis provided during a hospice period are included in the hospice payment and are not paid separately.
MICs	
Recovery Auditors	<b>Region D:</b> AK, AZ, CA, HI, IA, ID, KS, MO, MT, ND, NE, NV, OR, WY, SD, UT, WA, Guam, American Samoa, Northern Marianas
Specialty Med Review	Hospice Related Services – Part B and Part A <b>Description:</b> Services related to a Hospice terminal diagnosis provided during a Hospice period are included in the Hospice payment and are not paid separately.
Any Mystery Entity	

### Extraordinary Entities


## Review Types

OIG	<b>Automated</b> <ul style="list-style-type: none"><li>• Determination made at system level, no human review</li><li>• Review area must be written Medicare policy, Medicare article, or coding guideline</li></ul>
PSCs ZPICs	
MICs	<b>Complex</b> <ul style="list-style-type: none"><li>• Review by RN, therapist or certified coder</li><li>• Records may be reviewed at provider location or mailed to RAC</li></ul>
Recovery Auditors	
Specialty Med Review	<b>Semi-Automated</b> <ul style="list-style-type: none"><li>• Automated identification of billing deviation followed by submission and review of records</li></ul>
Any Mystery Entity	

### Extraordinary Entities Medicaid RACs

- OIG
- PSCs ZPICs
- MICs
- Recovery Auditors
- Specialty Med Review
- Any Mystery Entity


- By 1/1/2012 all states were to have established their Medicaid RACS
- Function in almost the same way as the Medicare RACs
- Although CMS encourages states to establish a process similar to the Medicare New Issue Review Board, there is no such requirement
- Final rule focused on flexibility for the states



### Extraordinary Entities Specialty Medical Review

- OIG
- PSCs ZPICs
- MICs
- Recovery Auditors
- Specialty Med Review
- Any Mystery Entity

- A minor player and new to hospice
- CMS fact-finding studies “to allow CMS to better understand trends in billing behavior that may lead to improper payments. These studies occur quarterly basis and vary in topics. claims chosen for review are selected randomly.”  
MLN Matters SE1123
- Reviewed claims for hospice care in the nursing home in 2012



**Extraordinary Entities**

Mystery Entity

OIG

PSCs  
ZPICs

MICs

Recovery  
Auditors

Specialty  
Med  
Review

Any  
Mystery  
Entity

If you receive a request for medical records or for an on-site visit from a contractor with which you are familiar, treat it as an extraordinary entity until you find out differently

	Review Type				Purpose
	Postpay	Prepay	Automated	Complex	
MAC	(X)	X		X	Prevent future improper payments
OIG	X			X	Identify fraud
PSC	X	X	X	X	Identify potential fraud
MICs	X		X	X	Identify potential fraud
RACs	X		X	X	Detect and correct past improper payments

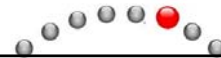
## Postpay versus Prepay Edits

### Prepay Edits

- Cash flow implications
- Uses current interpretations and expectations
- Easier to obtain necessary data

### Postpay

- May ultimately be a payback but current cash flow continues uninterrupted
- Reviewers have tendency to apply current interpretations and expectations to material from the past
- May be harder to find data or piece together information



## Decoding Request Letters

1. Who is it from?
2. Acting in what capacity?
3. What are they looking at?
4. Why were you selected?
5. When will this be happening?
6. How can you find out more?

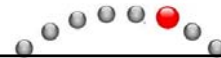


## Decoding a Request Letter

Letter from StrategicHealthSolutions, LLC

Dear Medicare Provider,

The Centers for Medicare & Medicaid Services (CMS) has retained StrategicHealthSolutions, LLC to conduct **Specialty Medical Reviews of selected Part A and Part B claims**. Additional information regarding this contract can be found at: <http://www.cms.gov/data-analysis/>.




## Decoding a Request Letter

Opening paragraph, letter from OIG (regional office)

This is to notify you of our intention to conduct an **audit of Federal Medicaid hospice services claims** made by providers in the state of Ohio and of the qualifications of Medicaid hospice workers at these providers. The **objective of our audit** is to determine whether costs claimed for hospice services by the Ohio Department of Jobs and Family Services (the State) were reasonable, allowable, and adequately supported in accordance with the terms of applicable State and Federal regulations. **Although our audit is of the State, your entity is included** in our review since it submitted claims for which the State received Federal Medicaid reimbursement. The **audit period** will include payments made during the period July 1, 2009, through June 30, 2011.




## Actions of the Prudent Hospice™

- Pay attention to the basics
  - Know your numbers – how might your program stand out in data analysis and what steps are you taking to address it?
  - Focus on documentation – how is yours?
    - Define standards
    - Train / retrain as needed
    - Assess the effectiveness of your orientation
    - Establish on-going monitoring
    - Hold people accountable
    - Refuse to describe anyone as a “such a good nurse” that is not a top-notch documenter
  - Formulate an ADR response plan
- 

## Actions of the Prudent Hospice™

If your number comes up with an extraordinary entity

- Establish contact with your healthcare attorney
  - Find out all you can about the entity
    - What type of entity are they?
    - What else have they been doing?
    - What are other program's experience with them?
  - Put your ADR plan into place
- 



## In this Process, Don't Expect

Auditors or reviewers to have

- Deep understanding of
  - The Hospice Medicare Benefit
  - Hospice operations & delivery of care
  - History of regulatory changes
- Personalities that are naturally comfortable with grey areas
- Reverence because “this is hospice”



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## A Few Words about Unannounced Visits

- Score of 10 out of 10 on the Meter of Seriousness
- As with a fire
  - Low probability of it ever happening
  - Don't want to be formulating a response plan with flames licking at your feet
- Establish your plan & review periodically
- Read UNEXPECTED GOVERNMENT INVESTIGATIONS: WHAT TO DO WHEN THE GOVERNMENT VISITS YOUR HEALTH CARE ORGANIZATION Reinhart Law 2007

<http://www.reinhartlaw.com/Publications/Documents/ea061200HC.pdf>

## Preparing for a Preannounced On-Site Visit

- Contact Attorney
- Chart Preparation
- Staff Preparation
- Entrance Conference
- Accommodations
- Interviews



## Somewhat Helpful Resources

### **Contractor Entities at a Glance: Who May Contact You about Specific Centers for Medicare & Medicaid Services (CMS) Activities**

<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1123.pdf>

[http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/ContractorEntityGuide\\_ICN906983.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/ContractorEntityGuide_ICN906983.pdf)

