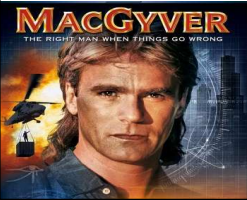


Presented by: Nicolet Araujo  
Vice President Sales and Consulting Services

**SOURCECORP HealthSERVE**

**“Regulatory Audits, Denials and Appeals”**

**Practical & Creative Solutions as a Universal Approach to Dealing with ALL Revenue Audits**



**"The MacGyver Strategy"**

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**Presentation Objectives**


What is “The MacGyver Strategy” .....

How To Apply It.....

Why it Works.....

- Developing a universal process that ensures organizations can effectively and efficiently deal with the multitude of reviews and audits that are targeting improper billing and payment.
- The Best Defense is truly a Good Offense


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## Revenue Auditor Comparison

	RAC	MIC
<b>Who are they auditing</b>	Healthcare providers that submit Part A and Part B claims *Medicaid RACS – April 2011	Healthcare providers that submit Medicaid claims
<b>Why are they auditing</b>	To identify both over and underpayments	To identify overpayments as well as fraud, waste and abuse
<b>How far back can they audit</b>	Up to 3 years, but not prior to October 1, 2007	5 years (with ability to refer to OIG up to 10 years)
<b>How much can they audit</b>	Max of 200 records per 45 days BUT this is subject to change this year due to complex reviews	State specific guidelines
<b>Where do they audit</b>	Usually “off-site”, but they can request to come on-site.	Usually “off-site”, but they can request to come on-site.
<b>When must records be supplied</b>	Must be submitted within 45 days of the original request (there is an allowance of 10 days for mailing time).	Must be submitted within 30 days of the original request (but the MIC may authorize a 15 day extension) *May request color copies or copies on CD.
<b>Where to get more info</b>	<a href="http://www.cms.hhs.gov/rac">www.cms.hhs.gov/rac</a>	<a href="http://www.cms.hhs.gov/medicaidintegrityprogram">www.cms.hhs.gov/medicaidintegrityprogram</a>

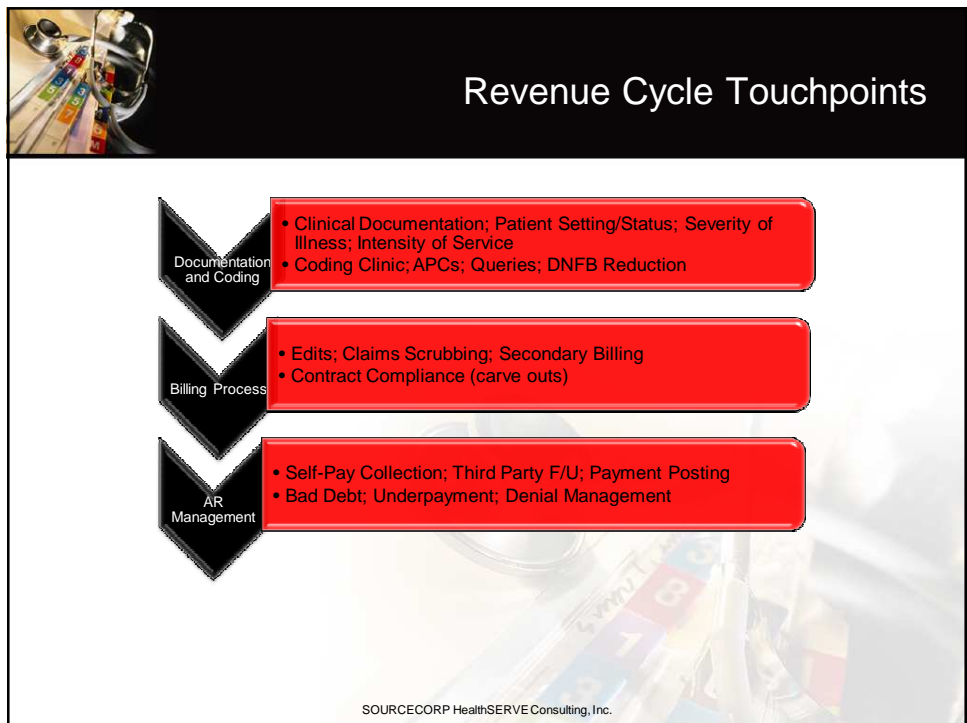
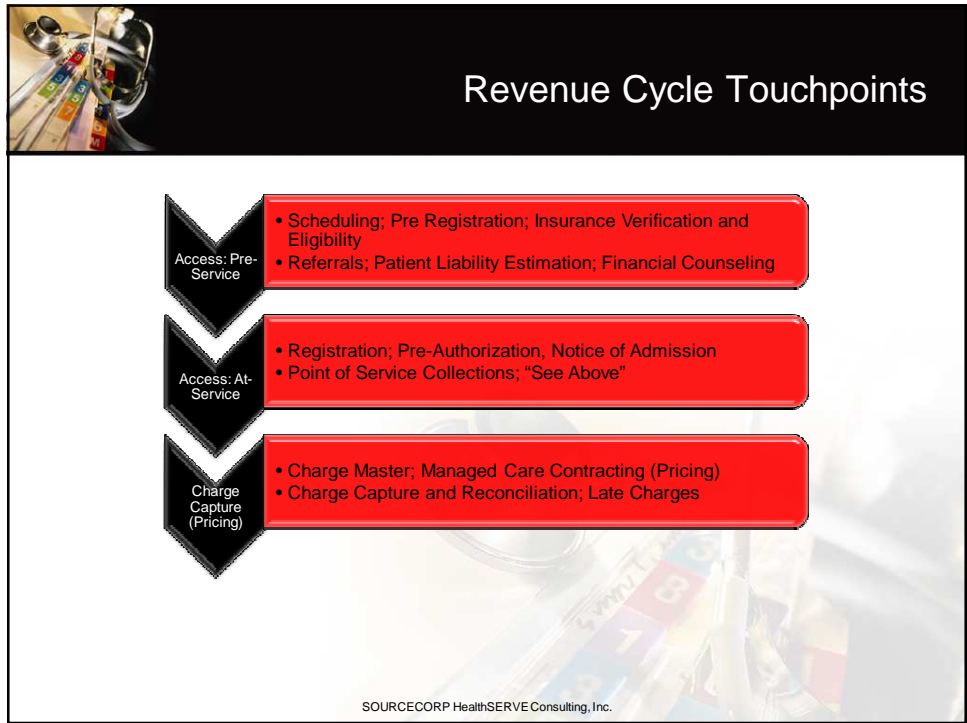
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## Revenue Auditor Comparison

	MAC	ZPIC
<b>Who are they auditing</b>	Healthcare providers that submit Part A and Part B claims	Healthcare providers that submit Medicaid claims
<b>Why are they auditing</b>	To identify overpayments as well as fraud, waste and abuse...and educate	To identify overpayments as well as fraud, waste and abuse
<b>How far back can they audit</b>	One year...longer if issues identified	State specific guidelines
<b>How much can they audit</b>	No Limits	No Limits
<b>Where do they audit</b>	Usually “off-site”, but they can request to come on-site.	Usually “off-site”, but they can request to come on-site.
<b>When must records be supplied</b>	30 days	30 days
<b>Where to get more info</b>	<a href="http://www.cms.hhs.gov/MedicareContractingReform/01_Overview.asp">www.cms.hhs.gov/MedicareContractingReform/01_Overview.asp</a>	<a href="http://www.cms.hhs.gov/manuals/downloads/pim83c04.pdf">www.cms.hhs.gov/manuals/downloads/pim83c04.pdf</a>

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## Overview of Information Workflow

- Provider Team Documentation
  - What is a “complete” medical record
  - Supporting documentation
  - Paper, Hybrid, Electronic
- Coding Assignment
  - Its more than just the ICD-9 and CPT codes
  - Discharge Disposition
  - Present On Admission (POA)
  - Patient Status (Inpatient vs OP Observation)

*"I learned something a long time ago:  
never laugh at what you don't know."*


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## Overview of Information Workflow

- Billing Processing (all roads lead to HCFA 1500 or UB04 or HCFA 485 or???)
  - Charge Tickets
  - Charge Master
  - Manual Entry Intervention
  - Billing System Edits
- Contract Negotiating
  - What's “covered” and “what's not” and what does it look like on the bill?
- 835s, 837s...so what?


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## Harness and Centralize Expertise

- Regional RAC Websites
  - Region A RAC DCS : <http://www.dcsrac.com/portal.html>
  - Region B RAC CGI: <http://racb.cgi.com/Default.aspx>
  - Region C RAC Connolly: [http://www.connollyhealthcare.com/RAC/Pages/cms\\_RAC\\_Program.asp](http://www.connollyhealthcare.com/RAC/Pages/cms_RAC_Program.asp)
  - Region D RAC HDI: <https://racinfo.healthdatainsights.com/home.aspx>
- CMS Transmittals
  - Used to communicate new or changed policies, and/or procedures that are being incorporated into a specific Centers for Medicare & Medicaid Services (CMS) program manual. <http://www.cms.hhs.gov/transmittals/>

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## Harness and Centralize Expertise

- Coding Guidelines
  - Coding Clinic/CPT Assistant
  - Query Guidelines
- Contract Terms (examples of...)
  - Exclusions
    - "The following conditions and/or treatments are specifically excluded under the...Attachment for which this Schedule 1 is attached. Institutions intending to provide these services for ..members must execute a separate Attachment covering the provision of services."
      - Mental Diseases and Disorders (MCD 19)
      - Heart Transplants
      - Liver Transplants
  - Limitations
    - "Mother & Normal Newborn Payments: A combined claim is required for both mother and newborns. A separate DRG payment will not be made for normal newborn and payment for this claim is combined with the mother's DRG payment."

*"Ah, yes, that's the handyman side of MacGyver; he likes to make clever little things out of odd bits."*

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## Harness and Centralize Expertise

- Limitations (cont.)
  - “Lithotripsy – CPT Code 50590 (All Inclusive) Use Revenue Code 79X reimbursement \$7,677.00”
  - “Cardiac Rehabilitation – Each Covered Service should be billed in sequential order, and reported with a Revenue Code of 943 and a Value Code of 53.”
    - CPT Code 93797 - \$92.00
    - CPT Code 93798 - \$113.00
- Billing Edits/Denial Codes
  - Medicare Claims Processing Manual
  - <http://www.cms.hhs.gov/Manuals/IOM/list.asp>

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## Data Mining and Analysis

- The Best Defense is an Informed Offense
  - Case Mix Data
  - Pepper Reports/MedPAR
  - External Audit Findings
- Turning Data into Useful Information
  - Identify Opportunities by High Dollar
  - Identify Opportunities by High Frequency

*“Maybe it’s about time I expanded the realm of possibilities around here.”*

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## Revenue Risk Aversion Team (RRAT)

- Identify Key Stakeholders
  - Patient Flow Touchpoint Owners
- Develop Communication Flow
  - Analysis and Trending Reports
  - Dashboards
- Develop Workflow
  - Denial and Appeals Tracking
  - Alerts
- Create Culture of Accountability

*"A good relationship is a lot like a car. If you want it to work smoothly, you gotta put a lot of work into it, and have the right tools."*

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## Accountability Tools

Audit Notification Date :	9/5/2009	Review Type :	Complex
Date of RAC MR Request :	9/5/2009	Pages :	20
		Cost :	\$0.12
Date due to be sent to RAC :	10/20/2009	Total Cost :	\$2.40
Date MR sent to RAC :	10/2/2009	Method :	Scanned to CD
Date RAC results received :	10/30/2009	Tracking # :	
RAC Results :	Incorrect Coding - Principal Procedure Deletion		
Internal Audit Results :	Original Coding Correct		
Agree with RAC?	No		
Modified DRG/CMG :	605	Modified DRG Description :	Trauma to the skin, subcut tiss & breast w/o MCC
Expected Modified Payment :	\$6,061.90	<input type="button" value="Calc Modified"/>	
Actual Modified Payment :	\$6,061.90		
Date of Adjusted Payment :	12/15/2009	<input checked="" type="checkbox"/> Repayment Scanned?	
Date Overturned :	6/1/2010		
Estimated Net Impact :	\$2,063.42		
Actual Net Impact :	\$938.10		
Interest :	\$30.43	<input type="button" value="Recalc"/>	<input type="button" value="View Rates"/>

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## Accountability Tools

**Appeal Process**

Person Conducting Appeal: Compliance Director  
 Person Assigned To: Amy Bonzer  
 Date 5th Level Appeal Due: 5/20/2010    Date Sent: 5/23/2010  
 Date of Response: 5/11/2010    Status: Won

5th Level Appeal Decision:
 

Free form typing available in all Appeal Process area that look like this!!  
  
 After a long haul we WON!

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## Accountability Tools

RACSource Dashboard

### Dollars at Risk

### Dollars Resolved

Unfavorable	111,675.0
Favorable	80,872.94


### Performance Report - Unfavorable

Category	Count
Discussion	11
Level 1	24
Level 2	9
Level 3	7
Level 4	3
Level 5	7

### Performance Report - Favorable

Category	Count
Discussion	3
Level 1	3
Level 2	1
Level 3	0
Level 4	1
Level 5	1


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## Website Citations

- Region A RAC DCS : <http://www.dcsrac.com/portal.html>
- Region B RAC CGI: <http://racb.cgi.com/Default.aspx>
- Region C RAC Connolly:  
[http://www.connollyhealthcare.com/RAC/Pages/cms\\_RAC\\_Program.asp](http://www.connollyhealthcare.com/RAC/Pages/cms_RAC_Program.asp)
- Region D RAC HDI:  
<https://racinfo.healthdatainsights.com/home.aspx>
- CMS Claims Processing Manual:  
<http://www.cms.hhs.gov/Manuals/IOM/list.asp>
- Medicare & Medicaid Services (CMS) program manual.  
<http://www.cms.hhs.gov/transmittals/>
- <http://www.cms.hhs.gov/MedicareContractingReform/Downloads/MACJurisdictionFactSheet.pdf>

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## Questions & Answers

- Information Changes Daily.....Read, Read, Read!

**"What they don't know, will help us."**

For Additional Information or Questions Please Contact:

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<http://www.sourcecorp.com/Lines-of-business/HealthSERVE/Services.aspx>

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