

Medicare and Medicaid Audits

Ready or Not Here They Come

Presented by:



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As Presented to Medical Office Resources of
Florida (MOROF)

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Today's Lecturers:

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OBJECTIVES

- To understand basic concepts regarding Medicare and Medicaid audits
 - To have a basic knowledge regarding the different organizations that can conduct a Medicare audit
 - To understand how to respond effectively to an audit
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MACs

- Medicare Administrative Contractor = MAC
 - MACs are private companies, usually subsidiaries of large insurance companies, that have contracted with the CMS to administer the Medicare Program
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MACs

- Formerly called “Carriers,” “Regional Carriers,” or “Fiscal Intermediaries”
 - For Florida:
 - First Coast Service Options, Inc., Jacksonville, Florida, for most Part B
 - Palmetto GBA (Government Benefits Administrators), LLC, South Carolina, for DME, HHA, Pharmacy, etc., Columbia, SC
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MACs

- Process and grant or deny applications
 - Process claims and make or deny payments
 - Maintain Medicare claims data
 - Issue Local Coverage Determinations
 - Conduct initial site visits and audits
 - Conduct provider education and training
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MACs

- Conduct audits
 - Terminate Medicare billing privileges
 - Conduct initial redeterminations and reconsiderations
 - Recoup payments from audits conducted by other companies
 - Contract for Qualified Independent Contractor reviews
 - Terminate Medicare numbers
 - Receive and review Corrective Action Plans and Requests for Reconsideration on Medicare billing privilege terminations
- 


RACs

- Recovery Audit Contractor = RAC
 - Often referred to as “Bounty Hunters”
 - RACs are private companies contracted by the CMS, used to identify Medicare overpayments and underpayments, and return overpayments to the Medicare Trust Fund
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RACs

- The RAC for the region that includes Florida:
 - *Connolly Consulting Associates, Inc.* of Wilton, Connecticut
 - Connolly's subcontractor is: *Viant Payment Systems, Inc.*
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WHAT RACs LOOK FOR

- Incorrect payments
 - Non-covered services
 - Incorrectly coded services
 - Duplicate services
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WHAT RACs LOOK FOR

- Codes that are commonly abused or misused
 - Codes identified in OIG's Annual Work Plan
 - Codes that are not routinely billed
 - Outliers - excessive dollar amounts, excessive codes billed, excessive number of high level codes
 - Codes billed for same date of service as office visits, other procedures, etc.
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HOW TO PREPARE FOR RACs

- Review OIG Work Plan each year
 - Review, update and revise internal “superbills” and codes billed
 - Implement compliance efforts
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HOW TO PREPARE FOR RACs

- Make sure you control what is being billed
 - Establish systems to timely respond to RAC record requests
 - Monitor claim denials and appeal these claims through the Medicare appeals process
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RAC APPEALS

- Documents provided with recovery actions and decisions will detail the appeal process
 - Be sure to pay attention to deadlines
 - Appeal documents must be received by the deadline given
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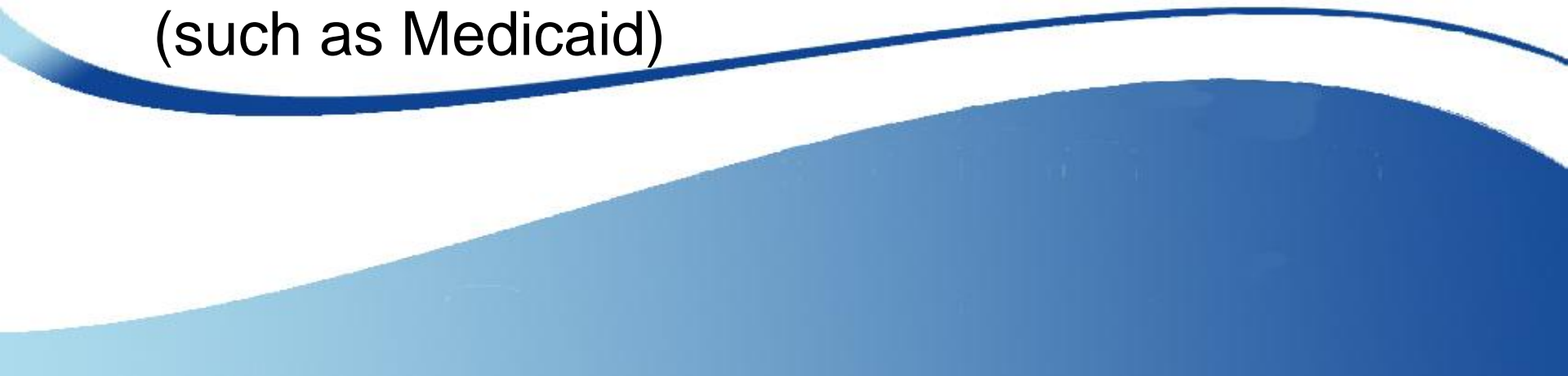
ZPICs

- Zone Program Integrity Contractor = ZPIC
 - When you hear ZPIC think “FRAUD”
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ZPICs

- ZPICs are private companies contracted by the CMS, used to conduct audits for Medicare overpayments and detection of and recovery for possibly fraudulent activities
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ZPIC AUDITS ARE INITIATED BY

- Whistleblower or Qui Tam Lawsuits
 - Probe Audits
 - Other audit agency findings
 - Beneficiary/patient complaints
 - Hotline complaints
 - Complaints from other government programs (such as Medicaid)
- 


ZPIC NOTIFICATION PROCESS

- A ZPIC will routinely fax a letter to the practice shortly before close of business the day before a site visit/audit
 - The site visit/audit may be scheduled to occur at a branch office and not at the main office
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ZPIC NOTIFICATION PROCESS

- Auditors will request to inspect the premises, will photograph all rooms, equipment, furniture, and diplomas on walls
 - They will usually request copies of several patient records to review
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ZPIC NOTIFICATION PROCESS

- They will request copies of practice policies and procedures, treatment protocols, staff licenses and certifications, medications prescribed and used
 - They will inspect any medication/narcotic lockers and will request drug/medication invoices and inventories
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ZPIC NOTIFICATION PROCESS

- You will usually be contacted for follow-up information and documentation after the audit and will eventually be provided a report and, possibly, a demand for repayment of any detected overpayments
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ZPIC APPEAL PROCESS

- If the provider elects to appeal a claim reviewed by a ZPIC, then the ZPIC forwards its records to the CMS affiliated contractor (typically a MAC) to handle the appeal
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ZPIC APPEAL PROCESS

- First Level – Redetermination (MAC)
 - Second Level – Reconsideration (Qualified Independent Contractor)
 - Third Level – Administrative Law Judge Hearing
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ZPIC APPEAL PROCESS

- Fourth Level – Medicare Appeals Council
 - Fifth Level – U.S. District Court Review
 - Bottom Line: ZPIC audits are won or lost with clinical documentation that clearly and concisely incorporates required payment criteria
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INCLUDE IN ALL RESPONSES TO AUDITS OR APPEALS

- Beneficiary names
 - Medicare Health Insurance Claim number
 - Specific service or item for which the redetermination/reconsideration is being requested
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INCLUDE IN ALL RESPONSES TO AUDITS OR APPEALS

- Name and signature of the provider
 - All available medical records documentation (history, physical, consultation request, lab reports diagnostic imaging reports, etc.)
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INCLUDE IN ALL RESPONSES TO AUDITS OR APPEALS

- A transcription of any illegible handwritten notes
 - Any additional notes, explanations, statements, etc., to clarify the services provided, the necessity of the services given, or any missing documentation
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PREPARE FOR AN AUDIT BEFORE IT HAPPENS

- Conduct an internal review of primary services you provide and make sure your documentation is in order
 - Prepare a checklist for documentation
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PREPARE FOR AN AUDIT BEFORE IT HAPPENS

- Make sure your referral sources know the guidelines and conditions for which items they order are covered
 - Do not rely on supplier-generated forms to document medical necessity
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PREPARE FOR AN AUDIT BEFORE IT HAPPENS

- Make sure all items are clearly listed on the orders prior to dispensing and make sure your delivery documentation is detailed
 - Make sure your documentation is legible and ALL signatures are legible
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Check your address on the audit letter to ensure it is the correct address of the site visit
 - Make telephone contact with the auditors to make sure they are coming to correct location and you know what they will be auditing
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Immediately call your health care attorney and have him/her present at the audit and site visit
 - If the site visit is set for a branch office, make sure the appropriate administrative personnel and at least other person who sees Medicare patients are in that office
- 


CHECKLIST FOR RESPONDING TO AN AUDIT

- Conduct a self-inspection of your office; call for a house-keeping visit if necessary
 - Make sure all displayed licenses, permits, certificates, are current
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Make sure all patient health records are properly secured and your medical record handling and storage are compliant with HIPAA standards
 - Have a separate room for the auditors to use with chairs and a flat surface
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Make sure your office is “photogenic”
 - Require proper photographic identification of all audit personnel and obtain a business card
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Assign one main staff person as communication point with the auditors (and your attorney)
 - Keep a copy of every document you provide to the auditors during the site visit
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Be aware of auditors being told to scrutinize any practice prescribing narcotics or pain medications
 - If the records needed by the auditors are in a different office, don't kill yourself getting them during the site visit
 - Don't guess answers to questions
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Expect to be asked for your drug list
 - Do ask questions of the auditors, regarding what they are auditing, any “hot issues,” timing of audit, etc.
 - Do not voluntarily advise the auditors of your own suspicions of wrongdoing or incorrect billing
- 


CHECKLIST FOR RESPONDING TO AN AUDIT

- Keep good copies and document your transmittal of documents to the auditors
 - If additional time is needed to forward records and documents requested by the auditors, request it by telephone and confirm it in writing
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CHECKLIST FOR RESPONDING TO AN AUDIT

- Have your physicians available to speak with the auditors at least some time during the site visit, if at all possible
 - Lend this matter your personal attention; do not delegate it to administrative staff
- 


WHEN PROVIDING RECORDS IN RESPONSE TO AN AUDIT

- All correspondence from Medicare, CMS or the contractor, should be taken seriously
 - Read the audit letter carefully and provide all the information requested in it
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WHEN PROVIDING RECORDS IN RESPONSE TO AN AUDIT

- When receiving a notice of a Medicare audit, time is of the essence
 - Any telephone communication with the auditor should be followed up with a letter
 - Send all communications to the auditor by certified mail, return receipt requested so you have proof of delivery
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WHEN PROVIDING RECORDS IN RESPONSE TO AN AUDIT

- Properly label each copy of each medical record you provide and page number everything you provide the auditors, by hand, if necessary
 - Keep complete, legible copies of all correspondence and every document you provide
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MEDICAID

- The same practice tips for responding to Medicare records requests apply those for Medicaid
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MEDICAID AUDIT

- In order to make sure your record keeping is adequate look to the Medicaid provider handbooks for claim requirements
 - Medicaid audits are typically conducted by the AHCA rather than a private contractor
 - As Medicaid recipients move to managed care plans, private auditors may become more prevalent
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MEDICAID AUDIT PROCESS

- Requests for records
 - Preliminary audit report
 - Final audit report
 - Mediation
 - Formal administrative hearing
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QUESTIONS?

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