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# 19 tips to prepare you for a Medicare audit and site visit

Knowing what to expect will help ensure that your practice measures up

By **GEORGE F. INDEST III, JD, MPA, LL.M.**

**A** letter comes across your office fax machine indicating that your practice has been scheduled for an audit and site visit from the Centers for Medicare and Medicaid Services (CMS), a Medicare administrative contractor, or a zone program integrity contractor (ZPIC) the next morning at 8 a.m. Sound far-fetched? This exact scenario is likely if your practice is scheduled for such a visit from the federal government or a government contractor. The timing is intended to give you little chance to prepare.

So what should you do? These 19 steps will help you get ready. Many items on this list may seem like common sense, but they are issues that real physician practices encounter.

## **1. Immediately check the address on the letter, including the suite number, to ensure that it is the correct and complete physical address of the intended site visit.**

If you have not updated your physical address or you have an incorrect or incomplete address in the Provider Enrollment, Chain, and Ownership System (PECOS), the auditors may go to an invalid address or not be able to find you. Your Medicare billing privileges automatically could be terminated. If your address is incorrect, immediately change it or correct it in PECOS and the National Plan and Provider Enumeration System online.

## **2. Immediately call and make telephone contact with the auditors.**

Confirm that the audit will take place, and verify the time and the exact location. Make sure the auditors are aware if you have an address change or correction from the one listed on the audit letter. Provide them with a suite number, as well as gate, parking lot, or

### POWER POINTS

- Audits and site visits often are scheduled on short notice, leaving physicians little time to ensure their practices and staff members are ready for scrutiny.
- Ask your attorney to attend the audit and site visit, and sit in on interviews with staff members.

door access codes, if relevant. Follow up in writing by fax and mail.

## **3. Immediately call your attorney and ask him or her to attend the audit and site visit.**

You have the right to have an attorney present while the auditors are in your office and during employee interviews. Be sure that the attorney you involve is experienced with the audit process.

## **4. If the site visit is set for a branch office, make sure the appropriate administrative personnel and at least one of the physicians who sees Medicare patients are in that office on the day of the site visit.**

Often, the site visit and audit will be scheduled at a practice's branch office that appears on the claims forms (Form CMS-1500) you submit to Medicare. If such a visit is scheduled for your practice, make sure that office is open and staffed when the auditors arrive. Additionally, it is preferable, but not mandatory, that one of the doctors or other treating health professionals from that office be present, even if schedules must be rearranged. If it is not possible to have one of the doctors at the satellite office because of surgical schedules or other similar obligations, then advise the auditors during your initial telephone contact (see point number 2) and ask whether

they would like to reschedule for a date when the physician(s) is available.

**5. Make sure your office is "photogenic." Inspect your office immediately, and call for an emergency housekeeping visit, if necessary.**

Visually inspect all areas of your office. Open every door, closet, and cabinet. Although you may not have any claims denied or overpayments claimed against you as a result of a dirty office, you could be decertified as a Medicare provider for this reason.

Everything in your office should be clean, secure, neat, and presentable. The auditors take close-up photographs of every diploma, certificate, photograph, letter, award, and license hanging on your office walls. Be sure that none of these is expired or, worse yet, fake. Make sure no inappropriate or offensive photographs, magazines, posters, jokes, or other materials can be found anywhere in your office.

The auditors also will open every cabinet and drawer and photograph what is inside them. Inspect all cabinets and drug sample lockers and closets ahead of time to make sure no expired or inappropriate medications are in them, especially in your patient examination rooms. Make sure your patient waiting areas, examination rooms, and wash rooms are spotless. This may be the time for an emergency visit from the carpet cleaner.

**6. Make sure all displayed licenses and certificates are current.**

**7. Make sure all patient health records are properly secured and that your medical record handling and storage comply with Health Insurance Portability and Accountability Act (HIPAA) standards.**

Ensure that computer screens are not positioned so that they are readable by patient-visitors. Ensure that all patient health information and documents, especially paper records, are in locked file cabinets and rooms and that they are secured after normal business hours. They should not be accessible to housekeeping and maintenance personnel.

**8. Set aside a separate room with chairs and a flat surface (a desk or table) for the auditors to use as their meeting, conference, and interview room.**

In most cases, the auditors will want a separate, private room made available that they can use for themselves. Make sure it is clean and that the chairs are not damaged or torn. The auditors will want to interview virtually every one of your employees while they are there.

**9. Require proper photographic identification and identifying information from each member of the audit team.**

ZPIC site visits or audits typically include at least three people. When the auditors arrive, ask for their photographic identification and business cards. They all should have proper photographic identification from their company or agency. They should have business cards, but new employees and people in training sometimes do not. Write down the names, addresses, job titles, and telephone numbers of any person who does not have a business card. We have heard of (but have not confirmed) at least one instance where the inspected office did not verify auditors' identities and failed the audit for lack of proper security under HIPAA and Medicare conditions of participation.

**10. Assign one staff person to be the communication liaison with the auditors (and your attorney).**

Usually, the communication liaison will be your office manager or practice manager—or you—because the person should know where to obtain all of the documents and information the auditors request. This person should stay with the auditors when they tour and inspect your office. Your attorney should accompany them as well, but he or she probably will not be able to answer most questions about your office or practice.

The communication liaison should become familiar with all of the tips in this article before the site visit. He or she also should be instructed on the following points:

- Always tell the auditors the truth.
- It is acceptable not to know everything. If you don't know the answer to a question, tell the auditors you will get back to them with an answer.
- It is not reasonable to be expected to make photocopies of every medical and personnel record that the team requests during the audit. Advise the auditors that they can view everything during their visit, and make copies of documents as requested when possible (not interfering with patient care or office operations). Then tell the auditors that you will be happy to copy and mail the remaining documents to them within several days after the site visit.

**11. Keep a copy of every document or paper you provide to the auditors during the site visit.**

Never make only one copy for the auditors. Make two, and keep one to give to your counsel.

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**12. Be aware of scrutiny of policies and procedures for narcotics or pain medications.**

Medicare and Medicaid audit teams have been briefed to specifically scrutinize and follow up on any practice that is prescribing pain medication for Medicare or Medicaid beneficiaries. Make sure all drug samples are properly inventoried and accounted for and are kept under lock.

Also make sure that all of the proper protocols required by state and federal law are in place and are being followed. The auditors will most assuredly alert other state and federal regulators (such as the U.S. Department of Health and Human Services, the U.S. Drug Enforcement Administration, and local criminal task forces) if your practice prescribes pain medications and narcotics for patients.

**13. If the records needed by the auditors are in a different office of the practice, don't overextend yourself trying to obtain them during the site visit.**

Just explain the location issue to the auditors and offer to send them copies within the next several days. Remember, they could have conducted the audit and site visit at the other office (and still may do so).

**14. Don't guess the answers to any questions the auditors ask you.**

Before the site visit, instruct your staff members that if they don't know the answer to a question, they simply should say so to the auditor when they are interviewed. Remind staff members that an audit is not an intelligence test and that staff members cannot fail the audit because they do not know an answer.

Instruct employees to answer questions truthfully, however. It is much better to say that you don't know the answer (if you don't) rather than provide incorrect information.

It is especially important that questions dealing with billing be referred to the staff member(s) in charge of billing.

**15. Expect to be asked for your drug list or formulary.**

Auditors typically will request a list of every medication prescribed, dispensed, used, or billed for in your practice. They will follow up by asking for copies of all invoices for all drugs ordered, dispensed, or billed by your practice.

**16. Ask questions of the auditors in an attempt to obtain information about any special areas of concern.**

Ask the auditors whether they are especially concerned about any issue related to your practice. Ask them what the latest "hot" issues are that they have been advised to examine in any practice. Ask whether they need to see any documents. At the end of the audit or site visit, ask whether anyone needs to have any questions or information clarified.

**17. Do not voluntarily advise the auditors of suspicions of wrongdoing or ask whether your policies or procedures are correct.**

Do not alert the auditors to problems and issues in your practice that they may not have been going to audit or ask about. Even if the information you provide is not under their jurisdiction, they will pass it along to the agency or law enforcement authority that has jurisdiction over it.

**18. Keep good, legible copies of your transmittal of documents to the auditors, and maintain a record of what you sent.**

Photocopy both sides of forms and records. Number every page of every copy provided. Keep at least one exact copy for you and your counsel to use later. Transmit the documents to the auditors with a properly formatted and clearly worded business letter itemizing what you are providing. Send it via a reliable means that provides confirmation of what you sent and a receipt.

Send all documents in sufficient time to be received by the auditor's deadline. Consider using U.S. express mail, return receipt requested, or an overnight delivery service. Keep copies of all airbills and receipts. Track your parcel using the delivery service's Web site, and keep this information for your records.

Call the auditors to make sure they have received what you sent. If they did not receive it, then send it again.

**19. If you need additional time, request it by telephone and confirm it in writing.**

Make such a request before the due date, or, if necessary, make it afterward. Follow the steps noted in point number 18 to send it to the auditors. **ME**

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