What To Do When An Audit Letter Comes…

Sarah Reed BSE,CPC,CPC-I

AAPC Fellow
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Ms. Reed will address with the attendees the different types of external audits and their purpose (including, but not limited to, CERT, OIG, HEAT, ZPIC, MAC, MIC and commercial payer). In addition to defining and educating on what the intent of the audit is, she will provide information on how to respond and track these audits in your practice. Who should be involved - from manager to coding staff to providers - and how should you respond? Ms. Reed will also give some education tips for sharing in the practice so that staff understands the process and the importance of the audit in progress.
Slides and Information

Please be aware that not all the information presented in today's session is listed on the slides you are viewing. These slides are a base for the presentation. You will need to take notes on specific discussions in the session.

Do not be afraid to ask questions and make comments. This is an interactive education session.
One of the first clinical audits was undertaken by Florence Nightingale during the Crimean War of 1853-1855. On arrival at the medical barracks hospital in Scutari in 1854, Nightingale was appalled by the unsanitary conditions and high mortality rates among injured or ill soldiers. She and her team of 38 nurses applied strict sanitary routines and standards of hygiene to the hospital and equipment; in addition, Nightingale had a talent for mathematics and statistics, and she and her staff kept meticulous records of the mortality rates among the hospital patients. Following these changes the mortality rates fell from 40% to 2%, and the results were instrumental in overcoming the resistance of the British doctors and officers to Nightingale's procedures. Her methodical approach, as well as the emphasis on uniformity and comparability of the results of health care, is recognized as one of the earliest programs of outcomes management.
Audit

A noun.

Defined as:

*an official* inspection of an individual's or organization's accounts, typically by an independent body.
Types of Audits

- Billing Audit
- Risk Adjustment Audit
- Payment Audit
- Clinical Audit
- Educational Audit
- Compliance Audit
- Regulatory Audit
Less Common but on the Rise

• Patient surveys and focus groups
• Peer review
• Adverse occurrence screening and critical incident monitoring
• Standards based Audit (outcomes)

Can you all think of any others we need to discuss?
Who Gets Audited

- Physicians
- Hospitals
- Nursing Homes
- LTAC Facilities
- DME Suppliers
- Home Health Agencies
- Billing Services
Who Gets Audited

- Hospice
- Managed Care Organizations
- Ambulatory Surgery Centers
- Health Systems
- Continuing Care Retirement Communities
- Ambulance Carriers
Audit Sources

- MAC
- CMS
- RAC
- CERT
- OIG
- HEAT
- ZPIC
- MIC
- DOJ
- Commercial
# Acronyms for Audits

The following information is from the 2010 AHIMA Practice Paper

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Program Name</th>
</tr>
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<tbody>
<tr>
<td>CERT</td>
<td>Comprehensive Error Rate Testing Program</td>
</tr>
<tr>
<td>DOJ</td>
<td>Department of Justice</td>
</tr>
<tr>
<td>HEAT</td>
<td>Health Care Fraud Prevention and Enforcement Action Team</td>
</tr>
<tr>
<td>MAC</td>
<td>Medicare Administrative Contractor</td>
</tr>
<tr>
<td>Medicaid RAC</td>
<td>State Medicaid Recovery Audit Contractor</td>
</tr>
<tr>
<td>MFCU</td>
<td>Medicaid Fraud Control Unit</td>
</tr>
<tr>
<td>MIC</td>
<td>Medicaid Integrity Contractor</td>
</tr>
<tr>
<td>MIP</td>
<td>Medicaid Integrity Program</td>
</tr>
<tr>
<td>OIG</td>
<td>Office of Inspector General</td>
</tr>
<tr>
<td>OMIG</td>
<td>State Office of Medicaid Inspector General</td>
</tr>
<tr>
<td>PERM</td>
<td>Payment Error Rate Measurement Program</td>
</tr>
<tr>
<td>RAC</td>
<td>Medicare Recovery Audit Contractor</td>
</tr>
<tr>
<td>ZPIC</td>
<td>Zone Program Integrity Contractor</td>
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</table>
Government Audits

• Government auditors are authorized to investigate claims submitted by any entity or provider that provides Medicare beneficiaries with procedures, services, and treatments. In addition, anyone who submits claims to Medicare and/or their fiscal intermediaries, regional home health intermediaries, Medicare Administrative Contractors (MACs), durable medical equipment suppliers, and/or carriers are also subject to investigation.

• Each government auditor is established independently with a different mission and scope of work. Therefore, there is no standard for the number of record requests, timeline, appeals process, or type of review. As such, organizations often struggle to understand their operational and financial impact of these audits.

• Thanks to AHIMA for the above insight 2010
Why Me

• Red Flag
• Consistent Errors
• Internal Trigger
• By Association
• Group or Organization
• New Provider
• Random
• New procedure/expensive procedure
Why Me…

- Overused procedure
- Outdated procedure
- Off label use of medication
- Time for contract renewal
- Thinning their insurance panel

Others…….
Audit Etiquette

This slide is here to tell you it is not unusual to want at this point to find out if anyone else has gotten an audit letter for the same reason you have. Your organizations such as AAPC, AAFP, AMA, or other specialty society are good sources to see if they know what kinds of audits are happening in your area. You might also try local groups such as medical managers and local AAPC chapters.

• DO NOT CALL YOUR BEST FRIEND…
You Got Notification

- All government audits of any kind should have the CMS logo on your letter of notification. (example on your next slide)

- Start your process right away do not put it aside and say “I have a month, this can wait”.

- Set your audit response team based on the kind of audit letter your received.

- Go online and review who it is that is auditing you and that will also help with the type of audit you are facing.

- Continue to touch base with your team on a regular basis.
CMS Audit Letter Example

The example at the side to the right is the best one showing what the basic government agency letter will resemble.

It comes direct from the CMS website.
It is very important that you have an internal audit team. Each member of this team is there to be sure you are doing all you can to protect and review the information necessary to respond to the external organization auditing you.

One key person should be in charge of all audits that come into the office.
Team Make Up

Team members need to have different duties and perspectives in the office so that the reviews and gathering of information are a cross check for details. The ability to have a variety of members depends on the size of the office and number of providers.

Members should include:

- Coding and billing
- Clinical
- Administrative/Compliance
Each member of the team will have duties in gathering information to respond to the audit but in the end the team as a whole should review and document what is sent in the response. The reason for this is the interaction of the different areas represented are what make up the audit picture. This is the checks and balances that make sure all of the correct information is gathered to respond.
Basic Audit Response Information

The following slides are some of the areas for basic audit responses. These are the first steps in gathering and reviewing information prior to responding to an outside audit.

The reason these are the first steps are to be sure the claim was correctly submitted under the payer guidelines.
You need to be sure and pull the EOB or remittance on the claim or claims being audited.

The rational for this is to be sure that you did not miss anything or incorrectly post or write off any charges or balances that might have triggered an audit.

This is more common that you think since now we post electronically on many payments.
Print HCFA 1500

This step lets you look at the claim as the payer would when and if they print the charge. You can see if there are any glaring errors in this billing by reviewing the 1500.

If you see errors this maybe the only step you have to take once you compare this to the audit request. If not it is the first step in being sure you submitted a clean claim.
An area many internal audit teams do not spend time reviewing is the classification and taxonomy code of the providers being audited. This may or may not play a role in the external audit. It is always worth a look at the start of the internal review process.
Another basic step is taking a look at the claim online to be sure it does not have errors. Not only will looking at what was sent to your clearing house be helpful it will also tell you if your claim came back to you prior to submission for any corrections and what they were. It can help you be sure these corrections were made. It could also show any issues with your scrubber.
Contract and Policy Review

Taking the time to be sure you submitted your claim in accordance with any regulations in your contract or the policy manual of the payer also shows that you submitted the claim correctly.

Sometimes it can be as simple as the order of the modifiers submitted on the claim that can cause an audit.
Examples of Other Documents

Let's discuss the following:

• IOM
• MLM Articles
• Transmittals
• NCCI edits
• LCD/NCD
• Specialty Society Articles and supporting documents
• Payer Web Articles and Education
• Internal Policies/Procedures/Compliance Plans
The cleanest method of tracking your audit letters and response is by an excel spread sheet.

You can set it up however you wish.

The following slide has examples to use in setting up for your spread sheet.
Set-up

- By month
- By audit type (OIG, RAC, etc.)
- By patient
- By provider
- By numerical order
- By payer

- Be sure on your tracking system you can scan the documents submitted and attach for safekeeping.
Spreadsheet Information

• It is critical to be able to track your audits and compile information necessary for reporting not only to members of your team but to the involved members of your practice.

• You want to gather from your spread sheet reporting information necessary for your compliance committee and providers and if necessary your attorney.

• This spread sheet should be in your file as a protected document with restricted access.
Spreadsheet Identifiers…

- Patient Identifier for internal tracking
- Payer Name
- Payer or auditor identifier
- $$$ involved per item
- Date of letter
- Deadline for response/appeal
- Who/where to appeal
- Rational/reason (overpayment, diagnosis, etc.)
Spreadsheet Identifiers...

- Audit team involved/responding
- Internal findings
- Appeal of findings letter, etc. to payer
- Date of submission for appeal or records sent, etc.
- Listing of information submitted
- Comments field
Spread Sheet Identifiers…

The previous 2 pages are examples of items to have easily accessible when responding to an audit letter.

You may feel that you need additional information if so what examples can you share with the group.
Before we talk about items to be used in your appeal we need to discuss how you submit them.

It is recommended that all submission require an acknowledgement that they were received.

You can use the USPO, UPS, Fed Ex. For example.

Submitting electronically or by fax if secure can also be an acceptable method.
Warning…

- I would warn you that if you submit electronically or by fax, you need to have some idea that the documentation is not distorted when received.

- This could mean an audit failure.
Items as Needed

- The items listed here and on the following slides are examples of what might be part of the package of what you will submit when audited. The list may vary based on the kind and type of audit.

- Letter or response to request

- Signature log

- Abbreviations commonly used in your practice

- 1500

- EOB
Items continued…

- EMR note for date of service
- Registration form for date of service
- Problem list
- Orders
- Medication list
- Any form for that date reviewed by provider that was completed by patient
- Any test results reviewed such as lab, x-ray, EKG
Items continued…

- Any phone calls that might have occurred on the day prior or day of the visit
- Any separate nursing notes that would have been reviewed
- Any notes from other providers that would have been reviewed and possibly used in MDM (consults, H&P, daily rounding notes, etc.)
Items continued…

Depending on what type of audit this is you may be asked for education logs, a document from your compliance plan, an office policy, etc.

Be sure you keep a copy of the information you send in for review. Also be sure you follow the CMS rules for documentation.


In addition the next two slides are directly from the CMS 1995 E/M Guidelines.
1995 DOCUMENTATION GUIDELINES FOR EVALUATION AND MANAGEMENT SERVICES

I. INTRODUCTION

WHAT IS DOCUMENTATION AND WHY IS IT IMPORTANT?

Medical record documentation is required to record pertinent facts, findings, and observations about an individual's health history including past and present illnesses, examinations, tests, treatments, and outcomes. The medical record chronologically documents the care of the patient and is an important element contributing to high quality care. The medical record facilitates: the ability of the physician and other healthcare professionals to evaluate and plan the patient’s immediate treatment, and to monitor his/her healthcare over time; communication and continuity of care among physicians and other healthcare professionals.
professionals involved in the patient's care; accurate and timely claims review and payment; appropriate utilization review and quality of care evaluations; and collection of data that may be useful for research and education. An appropriately documented medical record can reduce many of the "hassles" associated with claims processing and may serve as a legal document to verify the care provided, if necessary. WHAT DO PAYERS WANT AND WHY? Because payers have a contractual obligation to enrollees, they may require reasonable documentation that services are consistent with the insurance coverage provided. They may request information to validate: the site of service; the medical necessity and appropriateness of the diagnostic and/or therapeutic services provided; and/or that services provided have been accurately reported.
The principles of documentation listed below are applicable to all types of medical and surgical services in all settings. For Evaluation and Management (E/M) services, the nature and amount of physician work and documentation varies by type of service, place of service and the patient's status. The general principles listed below may be modified to account for these variable circumstances in providing E/M services.

1. The medical record should be complete and legible.
2. The documentation of each patient encounter should include: reason for the encounter and relevant history, physical examination findings, and prior diagnostic test results; assessment, clinical impression, or diagnosis; plan for care; and date and legible identity of the observer.
3. If not documented, the rationale for ordering diagnostic and other ancillary services should be easily inferred. 4. Past and present diagnoses should be accessible to the treating and/or consulting physician. 5. Appropriate health risk factors should be identified. 6. The patient's progress, response to and changes in treatment, and revision of diagnosis should be documented. 7. The CPT and ICD-9-CM codes reported on the health insurance claim form or billing statement should be supported by the documentation in the medical record.
Correction Plan and Education

In the event that during your review and discovery you find a problem you need to be sure when you respond to the audit you acknowledge what you have found and how you are correcting and educating.
Time to Talk about the Lawyer

- When do you bring in legal counsel
- Criminal investigations
- Employee’s
- Providers
- Attorney/Client Privelege
Nuts and Bolts of submission

- Be sure all of the pages front and back have the patient identifying information including the audit identifying number.

- You should also follow the CMS guidelines for clean documentation of a medical record (I know they were written for a paper chart but your copies are paper).

- Be sure your cover letter indicates how many pages of information you are submitting.

- Be sure your cover letter has the correct contact information for the auditor.

- It should also state if there is front only or front and back pages.
Submission continued…

Be sure you understand the deadline to respond and be respectful of that timeframe.

If the letter states to send the information in a certain way be sure you follow their directions.

For example RAC says you can put it all on a disc and submit the disc.
Thoughts…

• Audits are not always high dollar charges but could be a high volume charge

• JCAHO can be a part of what is driving an audit if the patient is in the hospital

• Be sure if there is an opportunity to validate the contact information with a payer or organization on who should get any audit correspondence, do it. Also track what you have done.
Thoughts…

• Provide an example of an audit letter to the person that opens the mail and be sure they know who gets them.

• Be sure that the staff knows the nature of how important it is not to discuss this process among themselves or with patients or family.

• Be sure the providers understand what is happening even if the audit is procedural in nature.
Thoughts…

• Be sure the providers know what the letters look like in case they get one at home. It can look like trash.

• If you can subscribe to a list serve in your area that keeps information about ongoing audits up to date be sure you do it. Using the AAPC Forum is a good way to know what is happening.
Audit Don’ts

This presentation has been about audits and the best practices for responding.

The best advice I can give on the “Don’t” side of the coin is this.

Don’t ever ignore an audit. If you are not sure what it is be sure and ask. Either call the source of the letter or call a support organization or your attorney.
Conclusion

- Not all audits are bad.
- Audits can generate revenue.
- Be vigilant on any notice you receive
- Be sure your team understands their processes and their deadlines.

Now to laugh a little…
Questions????

Remember to keep breathing…
Contact Information
Sarah Reed BSE, CPC, CPC-I
AAPC Fellow

Sarah Reed Resources, LLC
3301 Windsor Avenue
Kansas City, MO 64123
816 805-4430
sarahcpc@outlook.com
CEU Number