Is Your Company Ready for a Medicare Audit?

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Agenda

1. How do I know when a Medicare audit is coming?
2. Prepping for an audit - tomorrow is not too soon!
3. A formal audit request is received – Oh, no what now?
4. Compiling and submitting the audit information
5. What happens after the audit information is submitted.
6. Closing comments – Questions & Answers
How do I know when a Medicare Audit is coming?

You have to take a Medicare audit seriously, because each one has the potential to result in a significant overpayment assessment, but they are not cause for undue alarm. When handled properly, they often have a minimal impact on your Service.

You may not even realize Medicare is looking at your claims

An audit could start out with a formal request

It simply could be a request for additional information on several claims or a higher than usual volume of denials

Just be aware - at some unknown time Medicare will conduct an audit

How you and your staff respond may determine whether the audit turns into a sparkler or an inferno
How do I know when a Medicare Audit is coming?

• Most Medicare audits are conducted by a Medicare carrier and fall into one of two broad categories:

1. A review of claims before Medicare pays - Prepayment audits, the most common type, are random sweeps in which carriers typically want to look at only a few claims.

2. An analysis of claims after payment. "Focused" reviews are the simplest type of post-payment audits. Mostly, the carrier is just trying to educate a service about a problem with coding; such as proof of:
   • Medical Necessity
   • Level of Care
   • PCS – Physician Certification

How do I know when a Medicare Audit is coming?.

In a comprehensive review, the carrier goes over a small sample of claims and uses the results to calculate a projected overpayment for a period of months or years. The carrier will usually give the service several choices:

• Pay the assessment
• Appeal the findings and submit evidence to prove the assessment is wrong
  Have the carrier examine a larger sample of charts while leaving your company the right of appeal.
• One indication of the scope of the audit is the number of PCRs requested. You needn't be too concerned about a request for one report. A request for five or more, on the other hand, suggests that the carrier is seeking a pattern of miscoding. If it finds one, overpayments can run into hundreds of thousands of dollars; in rare cases, they may result in criminal or civil penalties. That's why you need to be prepared!
Prepping for an Audit - Tomorrow is not too soon!

- Follow the Boy Scout Rule – “Be Prepared”

- Prepare an internal audit checklist

- Conduct internal audits periodically
  - Quarterly
  - Semi-Annually
  - Annually

**INTERNAL CLAIMS AUDIT CHECK LIST**

- PCR  PATIENT CARE REPORT
- PCS  PHYSICIAN CERTIFICATION STATEMENT
- ABN  ADVANCE BENEFICIARY NOTICE
- EOB  EXPLANATION OF BENEFITS FOR THE CLAIM
- BF   BILLING FORMS FROM BILLING SYSTEM (1500 or Electronic form filed)
- Notes  DETAILED INFORMATION FROM BILLING SYSTEM
- Craf  CLAIMS REVIEW AUDIT FORM
- CAA  CLAIMS AUDIT ANALYSIS
- ABBR  ABBREVIATIONS USED BY CREWS AND/OR BILLING OFFICE
- LCD  MEDICARE LOCAL CONDITION CODES
- LP   LOCAL EMS PROTOCOL
- CREW LIST OF CREW & CERTIFICATION LEVEL
- VEH  LIST OF VEHICLES AND TRANSPORT LICENSE LEVEL
- CP   COMPANY COMPLIANCE PLAN
- SOP  STANDARD OPERATING POLICIES – OPERATIONS & BILLING OFFICE
Internal Audit Procedures

- Develop an audit form to compile the information – see samples

- Analyze the results and determine deficiencies or areas of improvement – See Sample

- Implement appropriate corrections, education/training

- Conduct a follow up audit with in a set period of time

Sample Audit Form
Sample Audit Form – page 2

FIDELIS AUDIT REPORT

MISCELLANEOUS BILLING CODE: ADAMS (IN) UNITS: 1 AMOUNT (BILL:w 460.00 WAS THE MALSSAGE BILLED PROPERLY: NO

OTHER NON-COVERED SERVICES: YES AMOUNT OF OTHER NON-COVERED SERVICES: $250.00

TOTAL AMOUNT BILLABLE: $460.00

IS THE BILLING CODE MATCH THE PATIENT DOCUMENTATION: YES

COVERAGE: FULL PAYMENT: $460.00

HOSPITAL PAYMENT AMOUNT: $460.00

MD PAYMENT AMOUNT: $0.00

PATIENT PAYMENT AMOUNT: $0.00

ACCOUNT BALANCE: $0.00

IS THE BILLING CODE PROPERLY POSTED: YES

AUDIT FINDINGS

PCR FINDINGS: Insufficient Documentation, Modifier Incorrect, Other

BILLING FINDINGS: Financial Info Incorrect - balance liq and Medical necessity not proven. RED FLAG - billing statement charges attached to audit does not match the insurance billing form

ADDITIONAL COMMENTS:

Exhibit A1
A Formal Audit Request is Received – Oh, No What Now?

1. Read the request thoroughly. If you can’t complete the review before the carrier’s deadline, ask for an extension.
2. Notify the appropriate personnel in the company:
   - Billing Manager
   - CEO/CFO
   - Compliance Officer
   - Attorney
3. Meet with the necessary personnel to discuss the audit request and determine who will be the “lead person” for preparing the audit information. This could be your attorney or a member of senior management.

A Formal Audit Request is Received – Oh, No What Now?

4. One of the members of the Audit Review Team should be a Certified Ambulance Coder.
5. If it’s the Medicare carrier that’s conducting the audit, the entire transaction will probably be conducted by mail.
6. Sometimes, either the carrier or a government agent (from the FBI or HHS Office of Inspector General) will contact you in person. And this is not a good sign.
7. Most of the time, an audit simply means being asked to provide some additional documents.
8. Stay focused on the audit request and respond in a timely manner.
Compiling and Submitting the Audit Information

- A copy of the letter from the Medicare carrier should be attached
- The company attorney or lead person should prepare a cover letter to be submitted with the compiled audit data
- Prepare a Cover Form Check list for each account requested - see next slide
- Compile all the data requested by the audit letter
- Don't down-code a claim just because the documentation is inadequate. If the code accurately describes the work done, the law supports the logical presumption that you should be paid for it

Medicare Audit Request Cover Sheet
Compiling and Submitting the Audit Information

- Highly recommend you highlight the areas of the PCR, PCS, from where you extracted the data for filing the original claim.

- Be prepared to submit definitions of terminology and protocol for your service.
  - An example that Medicare focuses on: Dispatched: Responded 911, Transported: non emergent –
  - Medicare picks up on this as the call being downgraded to a non-emergency call when in actually you still transported the patient 911 but without lights and sirens

- Review all charts before you submit them to the carrier. Be certain to include everything that could support your claim. For example, if a history refers to an earlier note, send the earlier note. If you're missing any documentation supporting your claims, add a clearly labeled and dated addendum, or include an explanation in your cover letter.

- Make sure to retain copies of everything that was compiled by your office and held in a secure area.

- Send the audit information by Certified Mail or Express Mail with a delivery signature required.
What Happens after the audit information is Submitted?

- Confirm the information has been received by the Medicare Carrier
- **BE PATIENT** – it could be up to 6 months or longer before you may receive a response from Medicare on the results of the audit
- If during the compiling of the audit, deficiencies were found, implement the necessary corrections and be sure to document your changes

Review Your Program

During the wait time, make sure to review and update your:

- Compliance Plan
- Documentation Training
- Coding Certifications and trainings up to date
- Billing Processes assessed and improvements implemented

**BE PROACTIVE** – and don’t wait for the Medicare Results.
Thank you for your time in attending this webinar.

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