Effectively Managing Third Party Payor Audits

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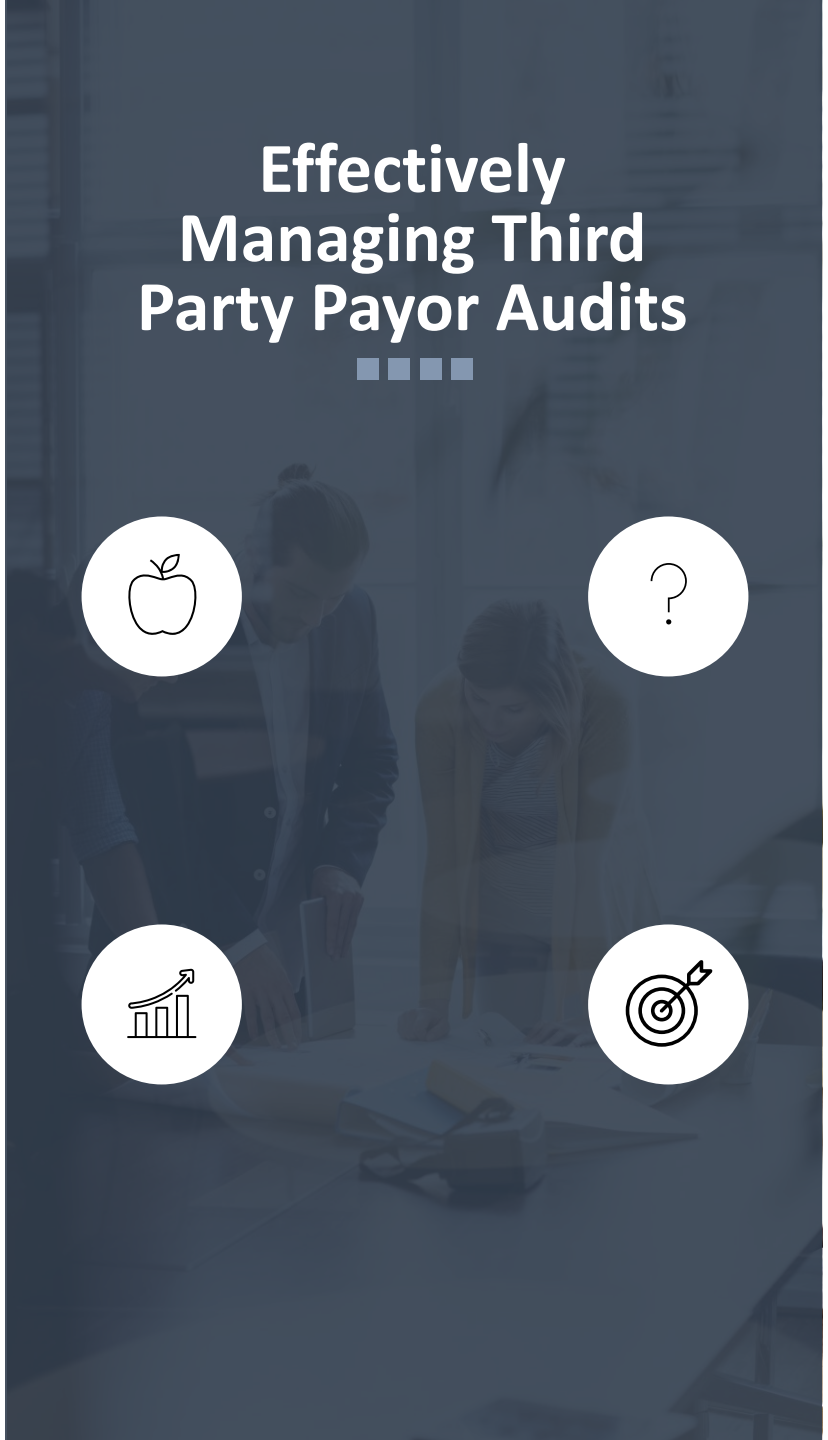

An Ounce of Prevention is Worth a Pound of Cure

Questions to ask to identify your awareness of audit risk

It Starts with the Request

The record submission is a critical part of the process to reduce the likelihood and extent of overpayment findings

Navigating an Appeal

Understand the payor's appeal procedures, prepare a coherent appeal of all issues in dispute with well thought out formatting

Resolution Strategies

A settlement can often be a mutually beneficial resolution

The best way to manage an audit is to avoid one in the first place

AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

An Ounce of Prevention

1. Have you read your provider contracts?
2. Have you read your provider manuals?
3. Have you identified relevant medical/coverage policies?
4. Have you audited medical records for compliance?
5. Do you provide services that may be audit targets?

Responding to an audit request is a mini-appeal

IT STARTS WITH THE REQUEST

It Starts With the Request

Reviewing and responding to a request is a mini-appeal

- ❑ Immediately calendar deadline
  - Review contract and provider manual, policies
  - Have you been given enough time?
  - Review companies
- ❑ Number of charts, dates of service, and lookback periods
  - Kansas: 18 months
  - Missouri: 12 months
  - Fee for records?
  - If not prohibited, part of discussion with requestor
- ❑ Types of audits permitted
  - Prepayment
  - Postpayment
  - Extrapolation
- ❑ Automatic Offsets/Recoupments
  - Tolled if appeal is filed?
- ❑ Appeal Rights
- ❑ Insurance coverage?

Gathering Information

Reviewing and responding to a request is a mini-appeal

- ❑ Contact with the requestor
  - Request identification of products/plans/networks
  - Request identification of ERISA plans
  - Discuss how different rules for different plans will be handled
  - Address contractual, policy concerns immediately
  - Timeframe when review will be completed
- ❑ Identify all records requested
- ❑ If there are relevant records not requested, discuss with requestor
- ❑ Plan to be ready by the deadline, request extensions early if possible but don't count on them
- ❑ Understand why you were selected
  - Variety of codes for single provider
  - Specific codes, all providers
  - Specific codes, specific provider
  - Statistically valid sample
- ❑ Review a sample of records
- ❑ Identify applicable coverage rules

Prepare to Respond

Reviewing and responding to a request is a mini-appeal

- ❑ Cover letter
- ❑ Table of contents
- ❑ Copy of request
- ❑ Copy of records
  - Compliance requirement checklist
  - Identify responsive record entries
  - E/M audit sheets
  - Consider spreadsheet
- ❑ Pre-certs, pre-authorizations
- ❑ Exhibits
  - Signature log
- ❑ Bates stamp
- ❑ Call to payor to discuss any items requiring explanation

Submission

Affects insurance payments to out of network providers at in-network facilities and for out of network emergency services

- ❑ Confirm submission location method
- ❑ Have tracking mechanism
- ❑ Confirm receipt
- ❑ Maintain exact copy
- ❑ Calendar payor’s deadline to respond

Carefully review payor's findings letter for common errors and deficiencies to use in an appeal or settlement proposal

REVIEW FINDINGS

Review Findings

Carefully review payor's findings letter for common errors and deficiencies to use in an appeal or settlement proposal

- ❑ Date of letter complies with contractual response timeframe
- ❑ Findings letter may be the trigger for state/contract lookback periods
- ❑ Are bases for adverse decisions clearly stated?
- ❑ Are citations provided?
- ❑ Are citations relevant?
- ❑ Is the type of issue(s) identified among those that payor is allowed to recover/offset for?
- ❑ Is the issue material?
- ❑ What are the recommendations for follow up?
  - Future audit
  - Extrapolation
  - Pre-payment
  - Licensing referral

- ❑ Immediately calendar deadline to respond
  - Is deadline in the letter accurate?

- ❑ Ask for spreadsheet

Citations and Relevance

Adverse decisions should provide specific denial rationale, cite to relevant plan requirements

Different Products, Different Rules?

- Review contract, policies, manuals for different rules (e.g. lookback period) by product or network
- Citing to CMS

“Acute blood loss anemia could not be validated”

Citation: ACOG Postpartum guidelines

Problem: Patient was a male

Have the cited standards been incorporated by reference?

- CPT Assistant
- Coders Desk Reference .

Settlements may be a reasonable proposal, but don’t miss out on your appeal deadlines

APPEAL AND RESOLUTION

Appeal

Carefully review payor's findings letter for common errors and deficiencies to use in an appeal or settlement proposal

- Formatting
  - Consider following numbering of findings letter
  - Overview
  - Hyperlinks/Table of Contents
- Address all issues you dispute
  - Contractual
  - Coding
  - Procedural
  - Qualifications of reviewers

Appeal

Organize the appeal into sections and headings to make it easy to read

I. Summary of Appeal

Dr. Pepper appeals Payor's findings that are inconsistent with the Parties' participation agreement and applicable coding rules. More specifically, the audit findings:

A. Violate Section 123 of the Parties' Participation Agreement by attempting to initiate recover or offset of amounts paid more than 18 months ago;
B. Fail to provide a detailed rationale required by [ERISA/Medicare] in order to afford Provider with a full and fair review;
C. Incorrectly apply coding guidelines by indicating [ABC] elements were missing, which are not required elements to report code 12345.

II. Details of Dr. Pepper's Appeal

A. $XXXX at issue involve dates of service paid more than 18 months ago.

B. Payor only summarily concludes "payment criteria not met" without further explanation.

C. Documentation of start/stop time is not required.

Settlement and Resolution

Usually, you can expect some amount of repayment to resolve a dispute

- What's reasonable?
- Request call or meeting to discuss issues
- Do you have an objective basis for a number you would settle for?
- Are there considerable inconsistencies you can highlight?
- Submit well in advance of appeal deadline
- Request toll on deadline to appeal until response is received
- Payment plan?
- Honor settlement payment plans
- Consider the language of any settlement agreement, impact on future reviews

Questions

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