

INDIANA HEALTH COVERAGE PROGRAMS (Indiana Medicaid)

Surveillance and Utilization Review “SUR”

Indiana Health Coverage Programs (Medicaid)

www.indianamedicaid.com

Health Care Excel on the web: www.hce.org

SUR Functions

- ▶ SUR Audits and Related Activities
- ▶ Claims Analysis & Recovery (CAR)

Basic SUR Functions

- ▶ SUR Audits and Related Activities
 - Coordination with other Entities
 - Eliminate/Decrease System Vulnerabilities
 - Overpayment Recovery
 - Prepayment Review

Provider Audit Selection

- ▶ Random
- ▶ Ranking/Data Analysis
 - Provider Profiles
 - Expected utilization vs. actual
 - Algorithms
- ▶ Referrals

Audit Referrals—Sources

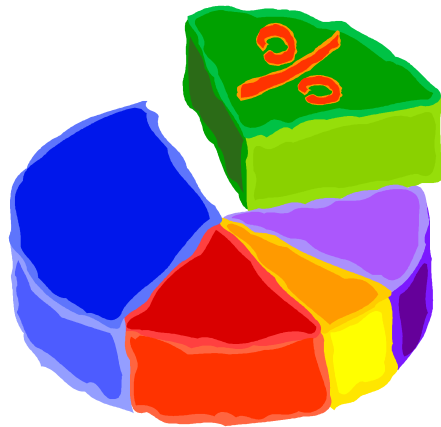


- ▶ **Provider and Member Concerns Hotline** (317) 347-4527 or (800) 457-4515
 - Providers
 - Members
 - Community at large
- ▶ **OMPP, Other Government Agencies**
- ▶ **Medical Policy/Prior Authorization**
- ▶ **Law Enforcement Agencies**

SUR Audit Types

- ▶ Door Knock
- ▶ On-site
- ▶ Desk Review
- ▶ Self-Audit

Claim Selection for Audit



- ▶ Claim-by-Claim
- ▶ Statistically Valid, Random Sample
- ▶ Combination

Claim Selection for Audit

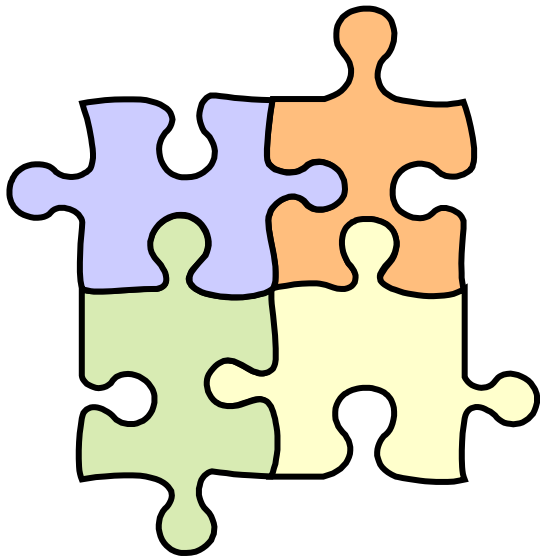
▶ Claim-by-Claim

- Claims are manually selected for specific issues
- Overpayment and interest assessed for each claim

▶ Statistically Valid, Random Sample

- Extrapolation
- Example
 - Sample 140 claims
 - Universe 6,000 claims
 - Net overpayment \$600
 - $\$600/140 = \4.29
 - $\$4.29 * 6,000 =$
\$25,740 plus interest

What Does SUR Audit?



▶ Claim Level

- EVERY element of information submitted on the claim must be supported by the medical record documentation and medical necessity

What Does SUR Audit?



▶ Claim Level

- **Medical Necessity**
 - Treatment Plans
 - Frequency of Service
- **Coding Accuracy**
 - Diagnoses
 - Procedures/Services

What Does SUR Audit?

- ▶ **Provider Level**
 - Accuracy of Enrollment
 - Adequacy of Facility/Equipment
 - Staff Credentials
 - Eligibility Verification Procedures

What Does SUR Audit?

- ▶ **Provider—Clinical Perspective**
 - **Supervision of Staff**
 - **Physician Oversight, if applicable**
 - **Procedures Communicated to Staff**
 - **Record Keeping Procedures**
 - Appointment Scheduling
 - Medical Records Process

A Few Things SUR Looks For...



- ▶ **Presence of Documentation**
- ▶ **Authentication**
 - All entries in the medical record should be authenticated
- ▶ **Physician Orders**
 - Missing, not dated, and/or not signed
 - Medical necessity of orders
 - PRN orders—discouraged
- ▶ **Correct Modifier Use**
 - May affect level of reimbursement

A Few More...



- ▶ **Legibility**
 - If we can't read it, it didn't happen
- ▶ **Missing Documentation**
 - Services not documented/record not found
- ▶ **Units Not Supported**
- ▶ **Time Not Documented**
 - Some codes are partially dependent on approximate amount of time spent to determine appropriate level of code to bill

A Few More...



▶ **Electronic Medical Records**

- Security features to ensure integrity of record (e.g., passwords)
- Authentication
- Methods to make changes to the record after initial entry
- Late entries
- Audit trails
- Individualized documentation

Provider Notification

- ▶ Preliminary Findings (provider has the opportunity to disagree with the findings)
- ▶ Final Determination (provider has the opportunity to appeal the findings)

Prepayment Review (PPR)

- ▶ Monitoring system to ensure that services are reasonable, medically necessary, and of optimum quality and quantity

PPR Selection

- ▶ Result of SUR audit
- ▶ Referral from state or federal agency
- ▶ Relationship to other providers already on PPR

PPR Process

- ▶ Providers on PPR minimum of six months
- ▶ Claims adjudicated by a PPR reviewer
- ▶ Monthly Claim Denial Report
- ▶ Compliance Reviews

What is CAR?



- ▶ Systematic approach to auditing
- ▶ Review Indiana Health Coverage Programs (IHCP) Policy and Coding Guidelines mapped to claims payment to determine if potential overpayments exist

What is CAR?

- ▶ Review claims data at the systems level to determine aberrant billing patterns
- ▶ Research billing guidelines along with state and federal regulations for provider compliance

CAR Process

- ▶ Identification of Potential Issue
- ▶ Research
- ▶ Payment Studies/Claim Identification

Data Mining

- ▶ Analysis of claims data
- ▶ Determination if meets project criteria
- ▶ Validation of data

CAR Findings

- ▶ Non-compliance with coding/billing guidelines
- ▶ Billing for services that cannot logically occur
- ▶ Billing incorrect number of units
- ▶ Providers billing codes which should not be billed together

Documentation Guidelines



- ▶ **Refer to 405 IAC 1-5-1, 1-1-4, & 1-1-5**
- ▶ **Changes in the Medical Record**
 - Single line through entry, write “error,” make the correct entry, initials of person making correction, and date of correction (*follow your own policy*)
 - No correction fluid or correction tape
- ▶ **Patient Name and Medical Record Number**
 - Needs to be on each page of the medical record
- ▶ **Canned Notes / Documentation Software**
 - Need to see individualized treatment plan and notes specific to patient

Suggested Internal Audit Protocols

- ▶ Provider should be able to demonstrate a comprehensive audit protocol that addresses
 - All levels of clinicians
 - All types of services billed
- ▶ Audits should be conducted on a routine basis with overpayments returned immediately upon identification
 - Audits should NOT be performed only in response to notice of an upcoming SUR audit
- ▶ All applicable resources should be mapped to documentation to determine level of compliance

Suggested Internal Audit Protocols

- ▶ Provider should maintain documentation of audit findings and actions to resolve including
 - Refunds resulting from internal audits
 - General education given to staff to address deficiencies
 - Individual employee performance issues addressed and monitored
- ▶ Provider is responsible to refund any over-payments identified to the appropriate payer source

Consequences of Submitting False Claims

- ▶ Recouped Overpayment
 - Interest
 - Penalties (up to triple damages)
- ▶ Suspend Future Payments
- ▶ Suspension from IHCP
- ▶ Exclusion from Federal Programs (MC/MCD)
- ▶ Refer for Prosecution
 - Civil
 - Criminal

Efforts to Combat Fraud and Abuse

- ▶ Increased Use of Available Technology
- ▶ Increased Awareness of Fraud Activity Nationally
- ▶ Continued Provider Education
 - You can and should report!

Resources

- ▶ Indiana Health Coverage Programs (Medicaid)

www.indianamedicaid.com

- ▶ Health Care Excel on the web

www.hce.org

Questions and Answers

