



Odds of Getting Audited?

1998 - 1 in 5 (20%)
 2004 - 1 in 20 (5%)
 2017- 1 in ??? (%)

■ Source: PM Annual Survey

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Return on Investment


■ For every dollar the government invests in healthcare fraud, they receive a return on investment of \$13.



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Types of Audits

- Medicare – Pre and –Post payment
- EHR
- DME



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WHY ME?

- 1) Large volume of Claims/High Billing
- 2) Large billing for a particular CPT Code
- 3) Complaint from a patient
- 4) Complaint from a disgruntled employee
- 5) Mandatory random sample from electronically-submitted claim
- 6) Previously audited
- 7) Bad luck

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TYPES OF AUDITS

- Random Audit
- Pre-Payment Audit
- Post-Payment Audit
- Large Volume Audit
- Comprehensive Error Rate Testing (CERT)
- Senior Citizen Audits (Operation Restore Trust)
- Zone Program Integrity Contractors (ZPICs)

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Modern Day Bounty Hunters?

- Recovery Audit Contractors (RACs) earn a percentage of any overpayment money they recover
- Prior to 2010- They looked for Site & E&M Upcoding.
- 2017 – They look for medical necessity



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Compute the standard deviation for 15, 15, 15, 21, 13, 13
 1st compute mean, $\bar{x} = \frac{\sum x}{n} = \frac{15+15+15+21+13+13}{6} = 15$

2nd Remember the formula for standard dev.

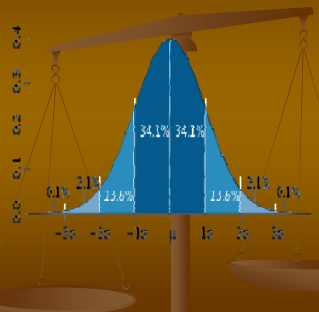
$$S = \sqrt{\frac{\sum (x - \bar{x})^2}{n-1}}$$

3rd lay out table
 using order of
 operation

x	$x - \bar{x}$	$(x - \bar{x})^2$
15	0	0
15	0	0
15	0	0
21	6	36
13	-2	4
13	-2	4
Σ	0	44

$\sum (x - \bar{x})^2 = 44$


$$S = \sqrt{\frac{\sum (x - \bar{x})^2}{n-1}} = \sqrt{\frac{44}{5}} = \sqrt{8.8} = 2.966$$



A cartoon illustration of a detective. He has a large, prominent nose, a grey beard, and is wearing a brown trench coat and a brown hat with a red band. He is holding a large magnifying glass over his eye, looking intently at it. The background is a solid light blue.

DANGEROUS AUDITS

- If the audit letter or audit notice is from a Zone Program Integrity Contractor (ZPIC), the matter is **very serious** and should not be treated as a routine audit. If the “audit” comes in the form of a subpoena, then it is **extremely serious**.



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Recent Changes

1. If you submit a claim within three months, auditors have only 6 months to review it.
2. Auditors must keep the overturn rate less than 10% during 1st appeal level.
3. CMS expands auditing contracts to 4 different companies.

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What to Do?

- 1) Look for a pattern
- 2) Are there similar CPTs involved?
- 3) Go to the records and review them
- 4) Above all **DO NOT ALTER RECORDS**
- 5) Have your records reviewed by an objective expert
- 6) Retain an attorney if necessary

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When to Retain an Attorney

- 1) If you're the nervous type
- 2) If there's a fundamental problem with your records
- 3) If more than 30 charts are requested

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Before you send in records

- 1) You can supplement records by
- 2) Including the total chart, not just the dates requested
- 3) Typing the entries to SUPPLEMENT Originals
- 4) ILLEGIBLE ENTRIES = NON-PAYMENT

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Do's and Don'ts

- 1) Never send in originals!!!
- 2) Ask for an extension, if needed
- 3) Always mail FED EX or US Mail Certified, RRR

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Do's and Don'ts

- a) Include photographs - "A picture = 1,000 words"
- b) Include a definition of all abbreviations
- c) Include corroborating notes from other physicians

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After You Send in Records

- 1) Be Patient - Auditing Takes Time
- 2) Do **NOT** Inquire as to status

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When You Receive a Demand For Payment

- Make payment in Full
- Appeal

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Step1 - Call

- If you receive an overpayment letter, call your RAC within 15 days from the date you receive it to discuss the overpayment and send any evidence to counter an offset.
- NOTE: Calling your RAC does not constitute a formal appeal.

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Step 2 Appeal

- If you continue to believe the request for overpayment is unjustified, you must file an appeal. If you do so within **30 days** of receipt of the overpayment letter you will avoid a Medicare recoupment action.

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1st Level Appeal

- You have **120 days** to file the first appeal which is referred to as a "redetermination." Redeterminations are conducted by Carriers or Medicare Administrative Contractors (MAC).
- If the overpayment is upheld at the redetermination level, you have 180 days to appeal to the 2nd level.

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2nd Level Appeal

- Second level appeals are referred to as "reconsiderations."
- Reconsiderations are conducted by Qualified Independent Contractors (QICs).

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3rd Level Appeal

- At the third level of appeal, an Administrative Law Judge (ALJ) will review your case. If the overpayment is upheld, you have **60 days** to appeal to the 4th level.

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4th Level Appeal

- At the fourth level of appeal, an HHS Department Appeals Board will review your case. If the overpayment is upheld you have **60 days** to appeal to the 5th level.

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5th Level Appeal

- At the fifth level of appeal a Federal District Court will review your case

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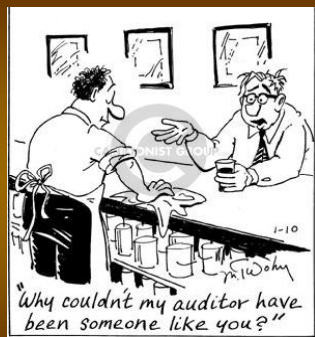
REFUNDING OVERPAYMENT

- If your appeal is upheld and making a repayment in full represents a hardship, ask your RAC if you qualify for an extended repayment plan.
- NOTE: Interest is waived if an overpayment has been returned within 30 days of final determination

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Considerations

Amount in dispute
Potential legal fees
Additional time and energy expended
Future possibility of audits

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If you appeal?

- 1) You will need an attorney
- 2) You have a right to bring an expert
- 3) You have further appeal rights

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Preventive Steps

- Stay Current
- Ask Questions
- Have Medicare Compliance Audits Done Regularly
- Dictate, Write, or Scan Complete Notes
- Use a Digital Camera

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Preventive Steps

- *Codingline*
- *PM News*
- *APMA Alert*
- Medicare and insurance Websites
- Your Local CAC
- Write to your carrier



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Medicare Compliance Audits


- Cost-Effective
- Prevents Criminal Prosecution



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Preventive Steps

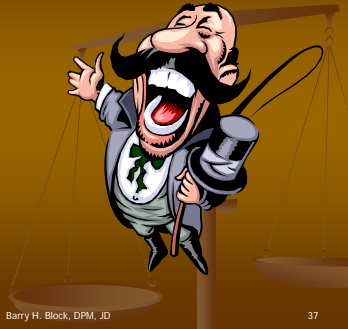
- Dictate, Write, or Scan Complete Notes
- If it can't be read, it didn't happen.
- Remember your bullet points



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QUESTIONS????

- Thank You



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