

Effectively Managing Third Party Payor Audits



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Effectively Managing Third Party Payor Audits



An Ounce of Prevention is Worth a Pound of Cure

*Questions to ask to identify your
awareness of audit risk*



Navigating an Appeal

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



It Starts with the Request

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

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 .

A photograph of a person sitting at a desk, covering their face with their hands. They are wearing a grey and white striped sweater. In the background, there is a computer monitor and a keyboard. The scene is lit with soft, natural light from a window.

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

III. Summary of Appeal

Dr. _____ appeals _____'s audit findings and intent to recover alleged overpayments. Dr. _____ appeal is based on _____'s breach of _____ Participation Agreement, and satisfaction of applicable payment policies forming the basis for alleged overpayments.

More specifically, Dr. _____ contends _____ audit and findings:

- A. violate Section _____ of Dr. _____'s Physician Participation Agreement and _____ by attempting to initiate recovery or offset of amounts paid more than two (2) years ago;
- B. _____
- C. overlook documentation produced by the practice and deny claims for lack of receipt of records;
- D. _____
- E. _____
- F. erroneously claim services were duplicate charges when in fact they represented procedures performed bilaterally;
- G. failed to correctly apply evaluation and management guidelines when assigning levels of office visit services; and
- H. _____

IV. Dr. _____'s Appeal of _____ Findings

- A. _____ would breach Dr. _____'s Participating Provider Agreement by recouping or offsetting claims paid more than two (2) years ago.

IV.A 2-year lookback	IV.D. No Med Recs
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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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