The National Medicare RAC Summit

"Organizing the Internal Retrospective Claim Review Team and Process for Success"

September 15, 2009

Presenter: Kathy Skrzypczak

Assistant Vice President, Corporate Services

Martin Memorial Health System

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Presentation Outline

- Health System Background
- Demonstration Project Experience
- Managing Risk - The Team
- Considerations for Best Practices

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Martin Memorial Health System

- Integrated Health System, located on the Central East Coast, Florida
- Operations in 2 counties
- 3,300 Associates
- Two Inpatient Facilities, 344 licensed beds
- 325 Medical Staff Members
- Employ 80 physicians
- 5 Outpatient Diagnostic Testing Centers

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Martin Memorial Health System

- Health System Net Revenues = $342M
- Medical Center Net Revenues = $302M
- 17,500 Inpatient Admissions
- 2,000 Observation Admissions
- Medicare Payer Mix = 68%
- 50% Net Rev. Outpatient Business Lines

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Demonstration Project Experience

- 2,570 Cases Reviewed, (2,447 Complex Reviews)
- 4.5% Automated Reviews
- Service Dates from F/Y 2002 - 2007
  - Reviewed 17% of F/Y 2003 Discharges
  - Reviewed 9% of F/Y 2004 Discharges
- Health Data Insights (HDI) Determinations
  - 1,555 No Findings (60.5%)
  - 1,011 Denials/DRG Changes (39.4%)
  - 4 Underpayments (0.1%)

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RAC Denials/Changes

- Denials/Changes (1,011 claims)
- $3.4 Million Take backs
  - 752 Medical Necessity for Inpatient Services (74.4%)
  - 101 DRG Changes (10.0%)
  - 66 Incorrect Discharge Status (6.5%)
  - 57 Outpatient per Unit Billing (5.6%)
  - 35 Other (3.5%)

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Overall Appeal Experience

- Appealed 62% of the denials
- 495 Overturned (80%)
- Recouped $2.1 Million To Date
- 31 cases still in Appeals Process
- The Appeals process will continue until late 2009

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The RAC TEAM – Multi-disciplinary

- Asst. VP, Corporate Services
- RAC, Coordinator
- Director, Case Management/Utilization Review
- Utilization Review Project Specialist
- Supervisor, Hospital Coding
- Director, Corp. Business Services (Registration, Billing)
- Finance/Reimbursement Rep.
- Director, Health Information Management
- Chief Compliance Officer
- Clinical Documentation Improvement Specialist

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Considerations for Best Practices

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Considerations for Best Practices

1. Centralized Communications
2. Staffing Considerations - Support
3. Medical Records Management
4. Electronic Document Management
5. Claims Tracking Software Solution
6. Utilization Review Process at Admission
7. Access to Utilization Review Documentation
8. Physician Advisors

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Centralized Communications

- External Communications
  - Incoming Mail
  - Incoming Requests for Medical Record Copies
  - Tracking Response documentation
- Internal Contact Point
  - Appeal Status
  - Business Office Claims follow-up
  - Missing Documentation follow-up

"Claims Denial Coordinator"

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Staffing Considerations - Support

Administrative Support - “Claims Denial Coordinator” – (mid-level clerical position)

- Monitor timeliness of responses to record requests and appeals
- Monitor appeal outcomes
- Identify trends in claims requests and denials
- Coordinate Denial Management Team meeting
- Assist with drafting appeal communications
- Follow up with outside organizations for claim resolutions

Potential Increased Resources –

Record Requests – Release of Information

Reviewing RAC Responses and Drafting Appeals

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Medical Records Management

Additional Information:

- Coding Department – Retrospective Queries are part of the permanent medical record
- Utilization Review Documentation
- Physician Advisor Worksheets are filed in the Medical Record and copied as part of the Contractor Record Request

- Consider a pre-mailing “chart review” process
- Think about the future
  - Retain electronic images of documents sent in response to a record request
  - Avoid accessing paper documentation multiple times

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Electronic Document Management

- Ability for multiple individuals to electronically access copies of:
  - Mail tracking slips
  - Contractor responses
  - Appeal letters
  - Appeal responses

- Possible options:
  - Links from billing system
  - Stored within claims denial management system

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Software Tracking Considerations

- Step 1 - Identify Users and Needs:
  - **Medical Records** – Track release of information – documents, data, and dates
  - **Finance** – Data Analysis – Fiscal Exposure
  - **Accounting** – Financial Statement Entries
  - **Case Management/Utilization Review** – Workflow for Claim Determinations and Appeals
  - **Coding** - Workflow for Claim Determinations and Appeals
  - **Compliance Dept** – Compliance Program Monitoring Plan to identify Risk Areas for Investigation

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Software Tracking Considerations

- Centralized database to be used
  - for numerous payers
  - by multiple concurrent users
- Specific Data Fields such as;
  - Patient identifiers
  - Audit number
  - Dates of service
  - Dates responses due by
  - Tracking numbers, references
- Ability to hold electronic files and scanned documents;
  - copies of contractor communications,
  - hybrid medical record,
  - copies of postal service tracking, etc.

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Software Tracking Considerations (cont.)

- Designed to support workflow; “target dates for actions” and assigned party
- Ability to store coding and utilization review notes/backup
- Internet based; potential to support management of appeals by an external third party
- Retain claim determination outcomes at all levels of appeal; including reason for denial
- Progressive product development – working toward communicating with audit contractors electronically
- Ability to generate AHA RACTrak data

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Utilization Review Process at Admission

- Protocol to facilitate the assignment of the admission status
- Policy approved by the Medical Staff
- Does not affect or reflect the quality of care delivered
- Physician use a standardized admission sheet - "Admit Per Case Management Standard" which supports physician designation for admission w/delegation of the assignment of the "billing status" to Case Management
- Hospital approved criteria – InterQual®
- Review of a patient's presenting severity of illness and intensity of services provided to treat that illness
- Physician notifies Case Management if they disagree with admission status and are required to document in the medical reason for disagreement

Utilization Review Process at Admission

- Martin Memorial – “Admission Per Case Management Protocol” Logistics
  - All new admissions are placed in a “hold status” for admission type
  - Chart reviews may not always occur on the day of admission, however, the review is based on patient’s clinical information at the time of admission
  - Communicate to the physician via a sticker within the progress notes if the admission status is determined to be “Observation”
  - Case Managers conduct “continued stay” reviews every three days

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Access to Utilization Review Documentation

- Retain notes for future use on the Utilization Review Criteria Used to Qualify patients for inpatient admission
- Document Category Cases was reviewed under
  - Infectious Disease, Cardiac, etc.
- Document clinical support of:
  - Severity of Illness (clinical indicators, blood pressure, temperature, etc.)
  - Intensity of Service (rate of IV medications, diagnostic testing, etc.)
- Abnormal test results

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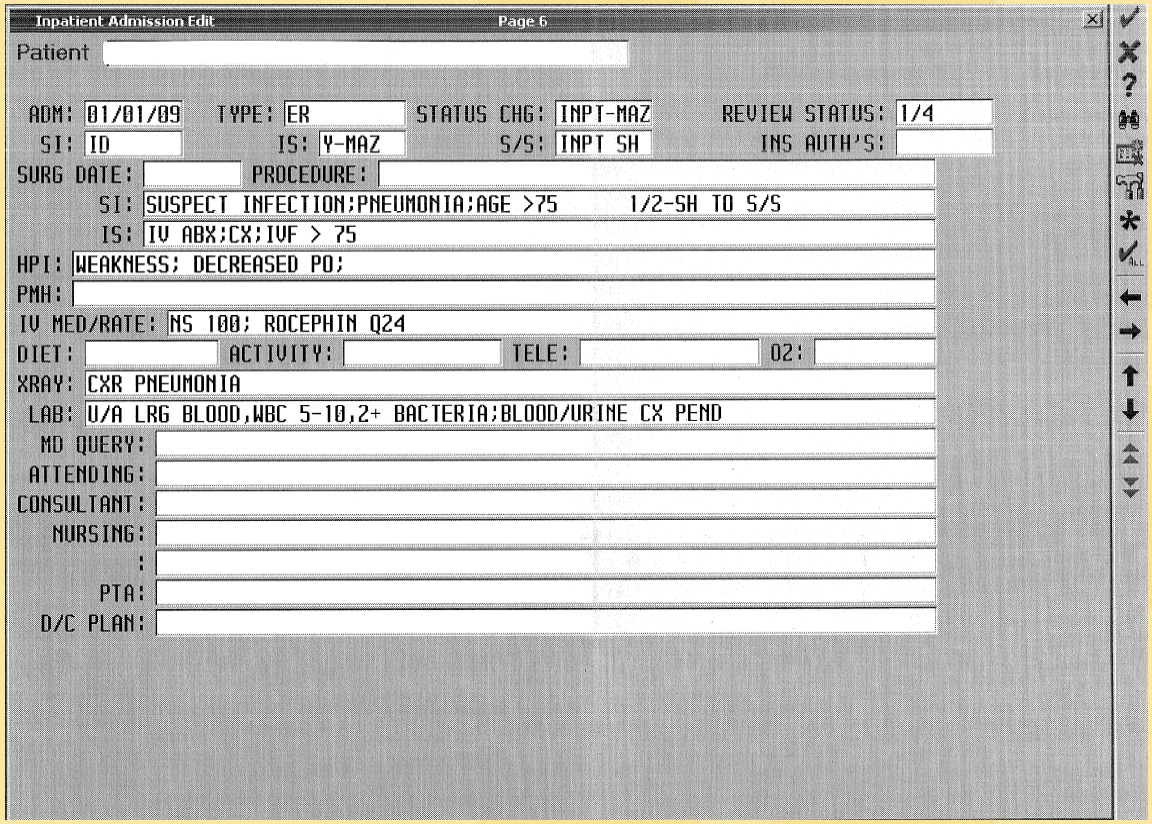
Access to U/R Documentation

- Meditech Screen 6



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Physician Advisors

- General Rule: UR Staff is restricted to assigning the admission status based on Interqual Guidelines
- Exceptions to the general rule are agreed upon by the Physician Advisor and the UR staff and drafted in a policy that further defines clinical indications for establishing admission status
- Remaining cases are sent for PA Review
- PA Worksheet summarizes Case Facts
- PA worksheet is filed in medical record and made available for outside record requests
- Consider Interqual® Training
- Physician Advisors Process - Backups

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Questions

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