

A Comprehensive Scorecard for Board and Staff

Larry Hegland, MD

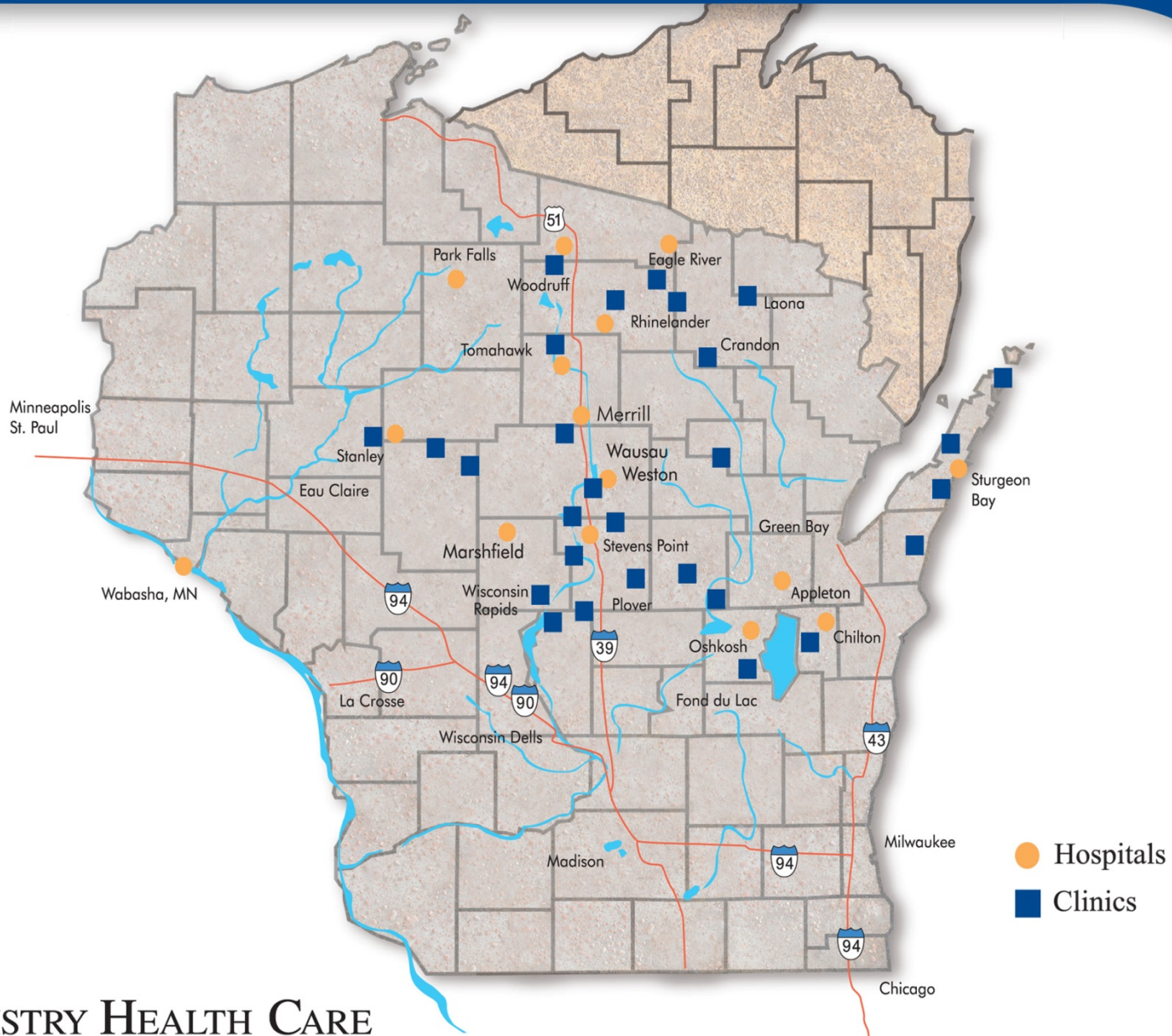
System Medical Director for Recovery Audit and Appeal Services

Chief Medical Officer for Ministry Saint Clare's Hospital and the
Diagnostic and Treatment Center



MINISTRY HEALTH CARE

today. tomorrow. together.



RAC Reporting Structure

- Centralized RAC team serving Ministry Health Care and Affinity Health System
- RAC Steering Committee
 - Local site liaisons who oversee local operations
- Hospital leadership teams
- Corporate office

Scorecards and Dashboards

- The possibilities for information presentation are nearly limitless
- Resources are typically constrained
 - If you are like me, artistic talent is also highly constrained
- Where do I even begin?

Creating a Dashboard

- Why are you doing this?
 - Just tracking the financial results and impacts?
 - Better understanding of the process flow?
 - Education?
- Who is the target audience?
 - Operations staff, hospital leadership, finance?
- What information do you want to present?
 - Just financial information?
 - Do you want to understand where your problems may reside?
 - What format(s) work?
- How frequently will the dashboard need to be produced?
 - Present data by the audit cycle, monthly, year-to-date or...?
- What resources will you need?
 - Do you have report generating software and do you know how to use it?
 - Do the end users understand the resources and time needed to create and maintain the dashboard?

Sample Dashboard Content

- Total original payments at risk
- Total overpayments identified
 - Before appeal
 - After appeal
- Total underpayments gained
- Total payments returned on appeal
- Complex vs Automated
- DRG validation vs medical necessity
- Total charts requested
 - No findings
 - Overpayments
 - Underpayments
- Overpayments
 - Appealed
 - No appeal
- Appeals
 - Appeals won
 - Appeals lost
 - Appeals in process
- Top DRGs and medical necessity denials

Other Dashboard Uses

- It's more than just a financial wins and losses statement
- Trend spotting
 - Triggers questions that we post on our listserv, RAC Relief
- Helps identify educational opportunities
 - Coders and documentation improvement specialists
 - Case managers
 - Physicians

Who Sees the Dashboard?

- Corporate and hospital management
- Corporate and hospital boards
- CFO Network Committee
- Physician network management
- System and local integrity teams
- RAC Steering Team (our operations oversight team)
- RAC operations team

Our Different Approaches

- Two approaches for two key audiences
 - Leadership and operations teams
- Dashboard summary
 - Available on intranet
 - Allows drill down capability from system perspective to the individual facility level
 - Content based on user interviews
- Slide set summary
 - Allows more in depth presentation of data
 - Geared to operations people

System Level Dashboard

Search

Recovery Audit and Appeals Department

- ▶ ALERTS
- ▶ Audit Management Tract (AMT) Information
- ▶ Coding Newsletters
- ▶ Commercial Insurance Link
- ▶ Compliance 360
- ▶ Executive Dashboard
- ▶ Facility Contacts
- ▶ Frequently Asked Questions
- ▶ Meet Our Staff
- ▶ MIC Information
- ▶ Policies and Procedures
- ▶ Questions from the Beneficiary
- ▶ RAC Region B Information
- ▶ RAC Relief List Serve



today, tomorrow together.

Recovery Audit and Appeals Department

The Recovery Audit and Appeals Dept manages and is accountable for the day-to-day aspects of responding to Recovery Audit Contractors (RAC) audits, MAC, Cert, MIC, and ZPIC. The Recovery Audit and Appeals Dept will also handle the appeals process for these entities across the entire Ministry and Affinity system. This centrally managed audit and appeal process (based at Saint Joseph Hospital) ensures timely response to audit requests and meets all response deadlines.

Commercial Insurance Link

This section includes a link to the insurance contracting grid and related information.

[click here](#)

Compliance 360

This section includes the link to the Compliance 360 software, the User Guide for the facility contacts, instructions on how to change your Compliance 360 password, and a list of the Ministry and Affinity Facility Contacts.

[click here](#)

RAC Region B Information

This section includes a link for the CGI website and samples of letters from CMS.

[click here](#)

RAC Relief List Serve

We created this list as a way for anyone involved in responding to Medicare's Recovery Audit Contractor program to communicate with one another.

For this e-mail list to be successful, we need your participation.

[click here](#)

Executive Dashboard

This section includes an explanation, instructions for and a link to the executive dashboard.

[click here](#)

Contact Us

Recovery Audit and Appeals Department

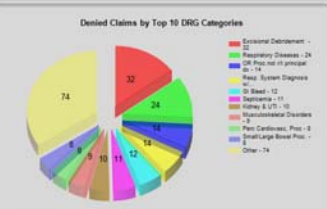
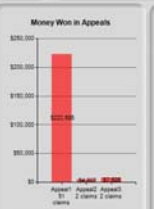
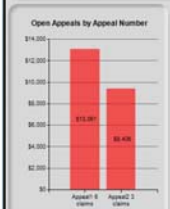
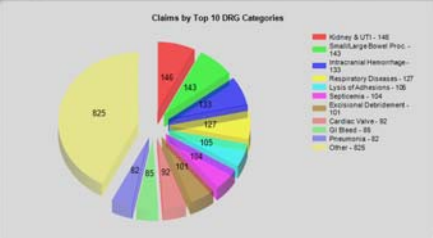
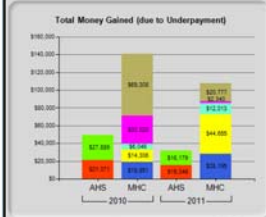
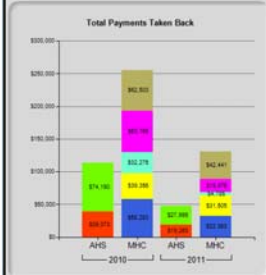
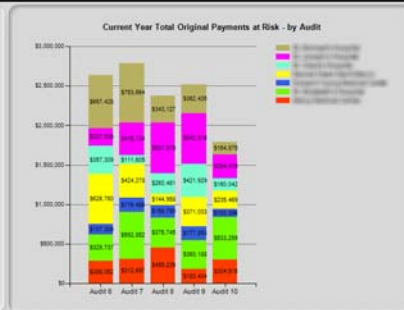
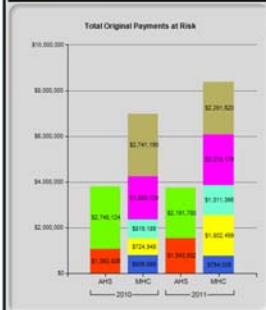
611 Saint Joseph Ave
Marshfield WI 54449-1898

Phone: 715-387-7373

Fax: 715-387-7533

[Email](#)

Selected Entity and Facility:
 Ministry/Affinity Health Care System
 Ministry Health Care
 Affinity Health System



Multiple Dashboards Available

Actions | [Refresh] | [Home] | [Back] | 1 of 1 | [Forward] | Find Next | 100%

Data as of: 10/10/2011

Ministry/Affinity Health Care System RAC Dashboard

[Click Here for Print Version](#)

Select Entity and Facility:

Calendar Year 2011

Ministry/Affinity Health Care System

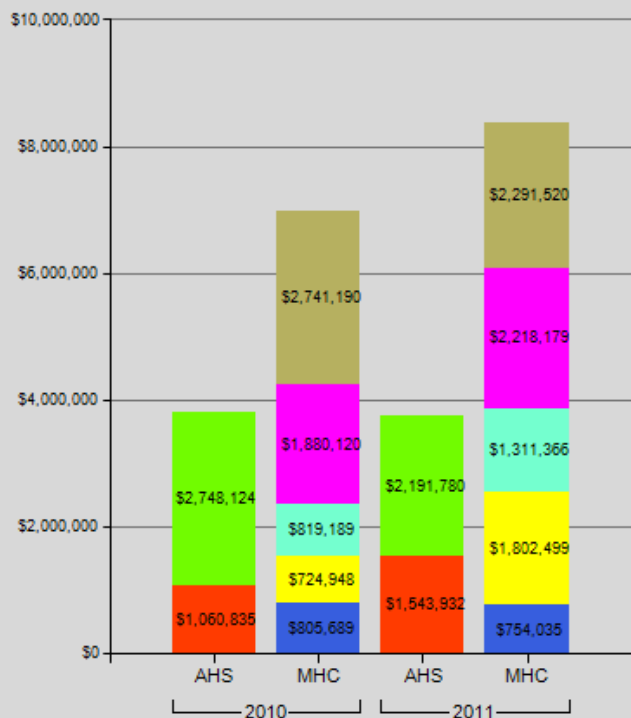
Ministry Health Care

Affinity Health System

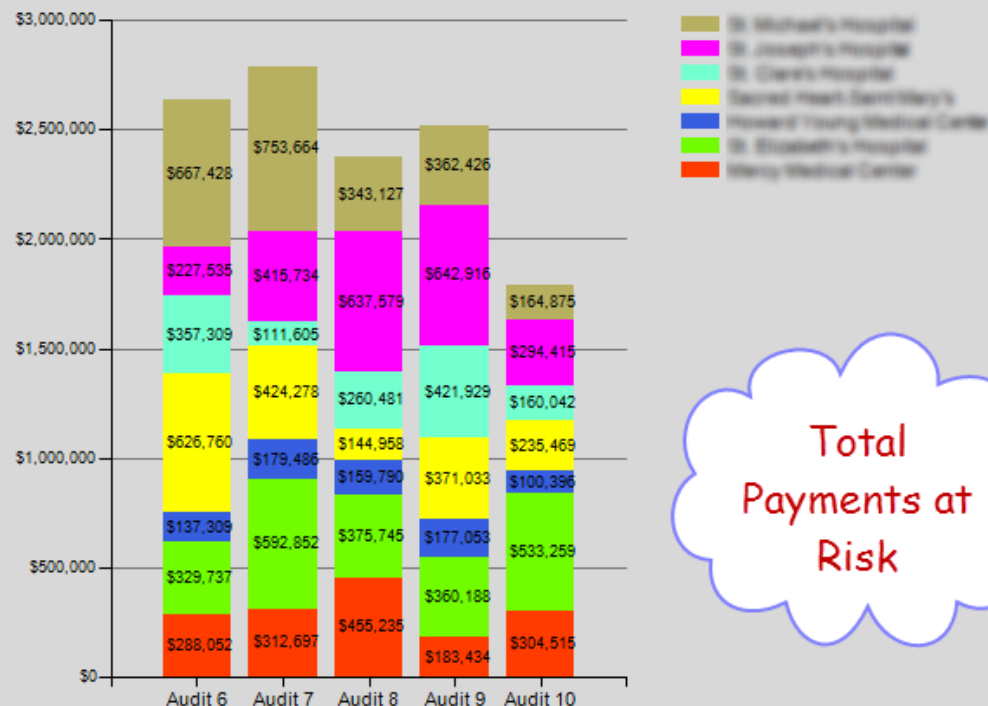
Drill Down Here

Print Version for Board Packets

Total Original Payments at Risk

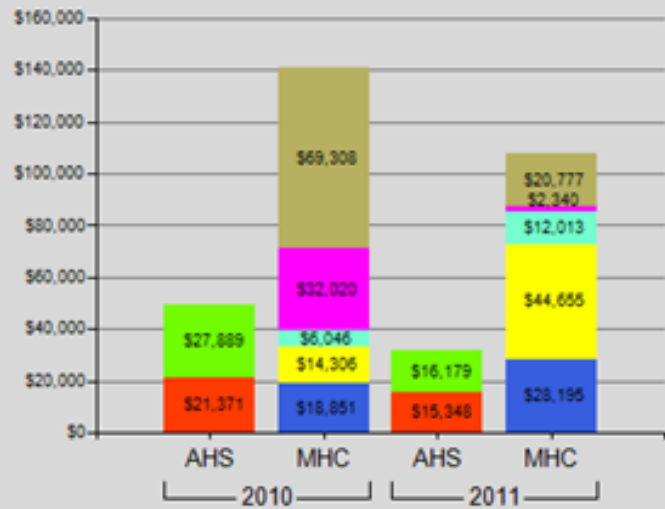


Current Year Total Original Payments at Risk - by Audit

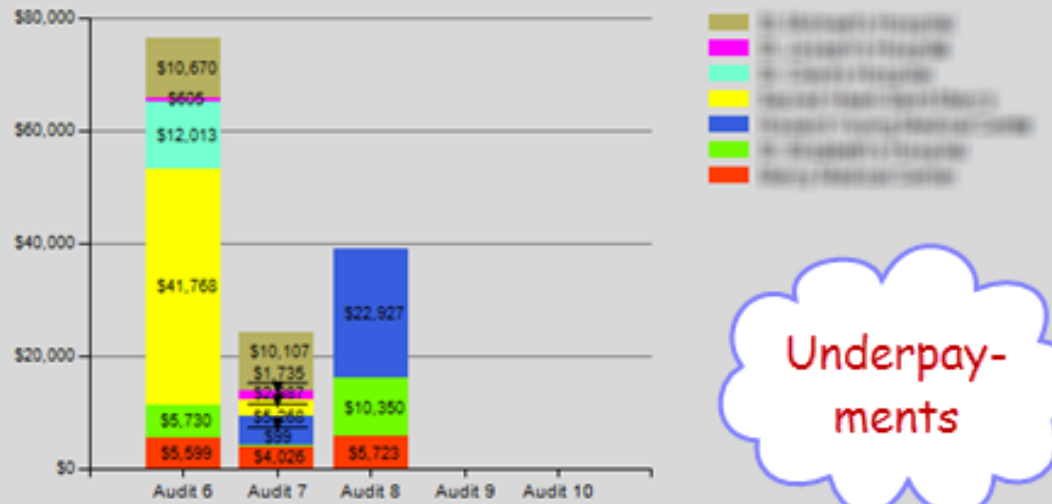


Total Payments at Risk

Total Money Gained (due to Underpayment)

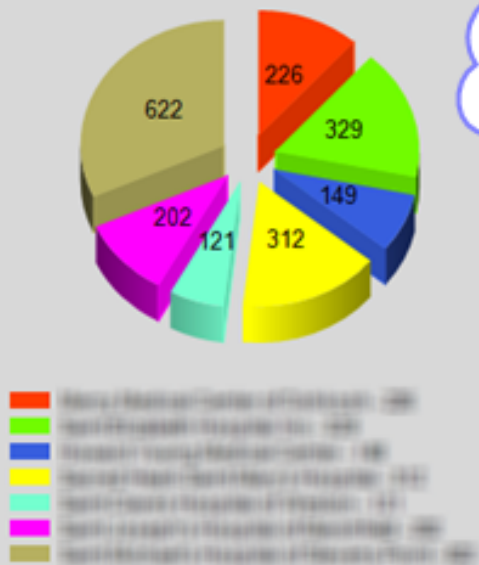


Current Year Total Money Gained (due to Underpayment) - by Audit



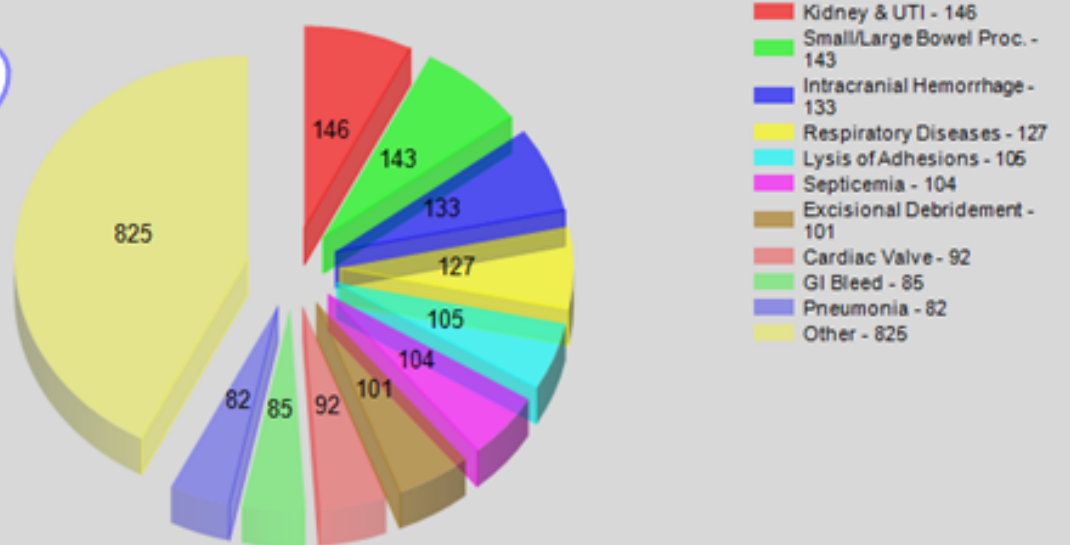
Underpay-ments

Total Claims by Facility

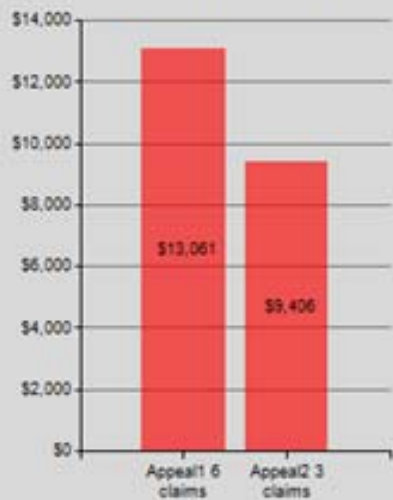


Claim Info

Claims by Top 10 DRG Categories



Open Appeals by Appeal Number



Money Won in Appeals



Appeal Info

Denied Claims by Top 10 DRG Categories



More Claim Info

Facility Level Dashboard

Actions | | | | 1 of 1 | | Find Next | 75%

Data as of: 10/10/2011

Ministry/Affinity Health Care System RAC Dashboard

[Click Here for Print Version](#)

Select Entity and Facility:

Calendar Year 2011

Ministry/Affinity Health Care System

Facility Drill Down

Facility Report

Ministry/Affinity Health Care System
 Ministry/Affinity Health Care System
 Ministry/Affinity Health Care System

Total Original Payments at Risk



Current Year Total Original Payments at Risk - by Audit



Total Payments at Risk

Total Payments Taken Back

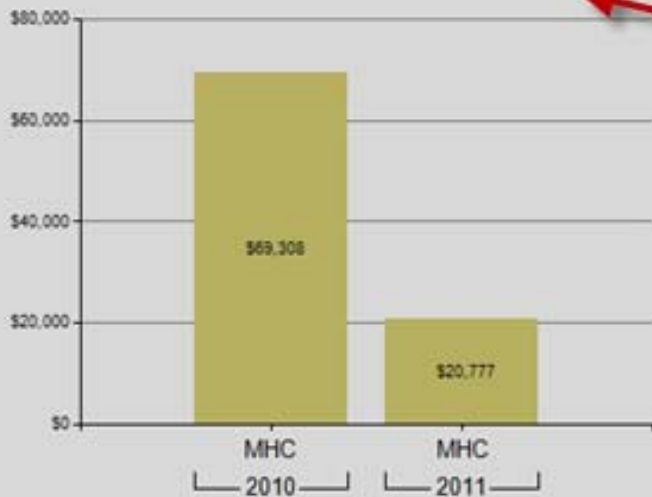


Current Year Total Payments Taken Back - by Audit



Overpayments

Total Money Gained (due to Underpayment)

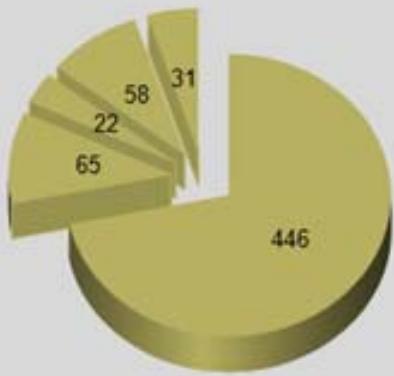


Current Year Total Money Gained (due to Underpayment) - by Audit



Underpayments

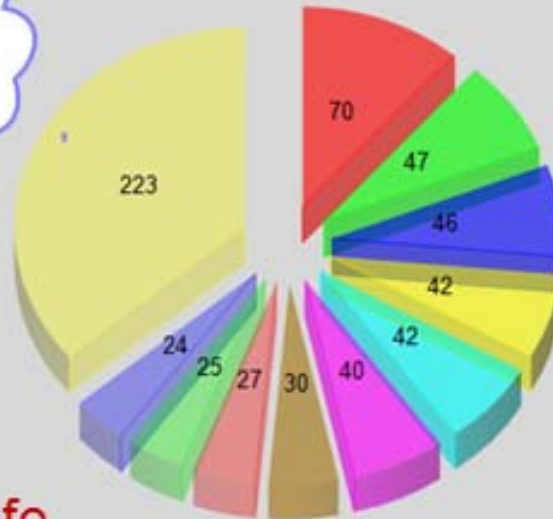
Total Claims by Claim Status



- No Findings - 446
- Overpayment (denied) - 65
- Pending Determination - 22
- Rescinded - 58
- Underpayment (money gained) - 31

Claim Info

Claims by Top 10 DRG Categories



- Intracranial Hemorrhage - 70
- Septicemia - 47
- Kidney & UTI - 46
- Cholecystectomy - 42
- Respiratory Diseases - 42
- Pneumonia - 40
- GI Bleed - 30
- Small/Large Bowel Proc. - 27
- Lysis of Adhesions - 25
- COPD - 24
- Other - 223

Appeal Info

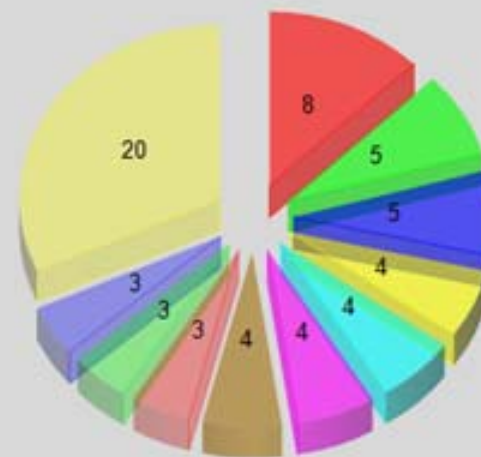
Open Appeals by Appeal Number



Money Won in Appeals



Denied Claims by Top 10 DRG Categories



- Respiratory Diseases - 8
- Excisional Debridement - 5
- Musculoskeletal Disorders - 5
- GI Bleed - 4
- Nervous Sys. Disorders - 4
- OR Proc. not r/t principal dx - 4
- Septicemia - 4
- Esophagitis/Digest Disorders ... - 3
- COPD - 3
- Heart Failure & Shock - 3
- Other - 20

Federal Auditor Activity Update

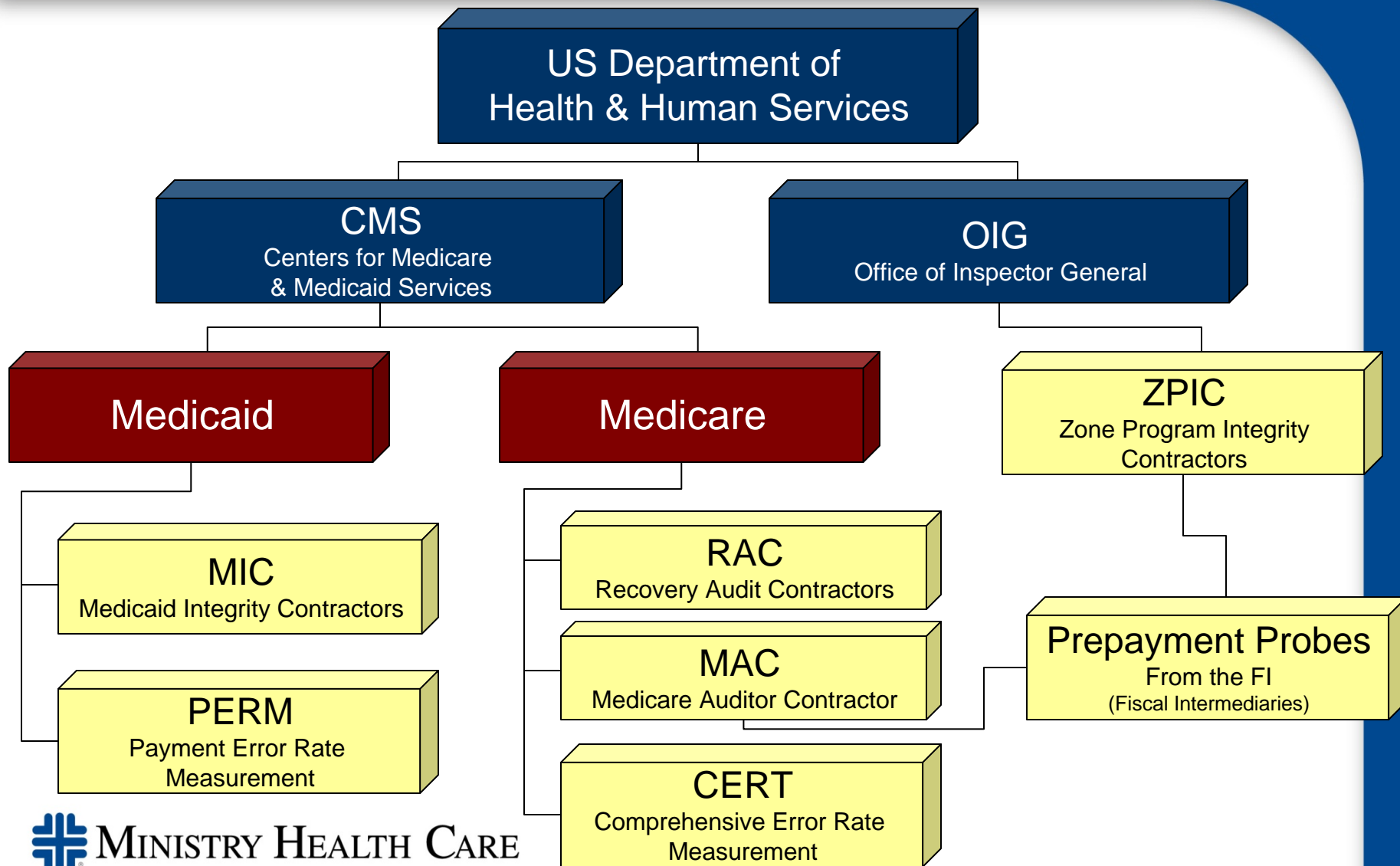
As of Some Date



MINISTRY HEALTH CARE

today. tomorrow. together.

Federal Auditors



RAC Automated Activity and Results to Date

Automated RAC Audits

• Activity to Date

- 10 Ministry/Affinity Facilities
 - ACH, CAH, DME & Ambulance services
- Total of 23 Denials (10% of RAC denials)
 - Issues:
 - Untimed Codes
 - » Speech/Hearing Therapy (CPT 92507)
 - » Oral Function Therapy (CPT 92526)
 - Date of Death – DME (O2 Concentrator)
 - Ambulance Transportation
 - IV Infusion (CPT 96365)
 - Peritoneocentesis (CPT 49080)
 - Medication Management (CPT 90862)

• Results to Date – 23 Total Claims

- 1 Appeal won at 1st Level
- 2 Re-processed (corrected claim) and paid by Medicare
- 3 Rescinded
- 1 in the appeals process
- 4 Claim was already previously paid back (voluntary refund) working with NGS to resolve
- 12 Not appealable (money recouped)

RAC (Recovery Audit Contractor) Automated Denial Totals

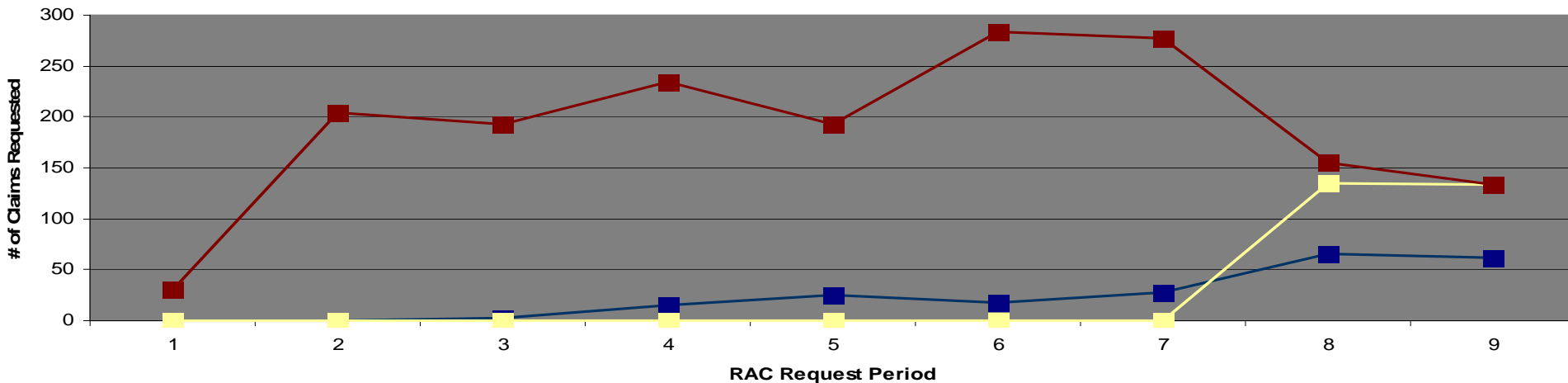
Total Money at Jeopardy \$12,141.51

		Original Payment Amt	Money Taken Back	Money recovered in Appeals	Money at Risk	Final Payment Amt
Closed Claims						
No Findings/Rescinded	3	\$768.78				\$2,038.38
Overpayments	12	\$6,200.67	\$4,156.68			\$1,674.39
Appeals won	1	\$937.69		\$215.97		\$309.10
Re-processed & paid by Medicare	2	\$405.20		\$405.20		\$405.20
Totals (for closed claims)	18	\$8,312.34	\$4,156.68	\$621.17		\$4,427.07
Open Claims						
In the Appeals process	1	\$131.09			\$74.13	
Claims previously paid back (voluntary refund) working with NGS to resolve	4	\$3,698.08			\$384.70	
Totals (for open claims)	5	\$3,829.17				
Totals (for open/closed claims)	23	\$12,141.51				

RAC Complex Activity to Date

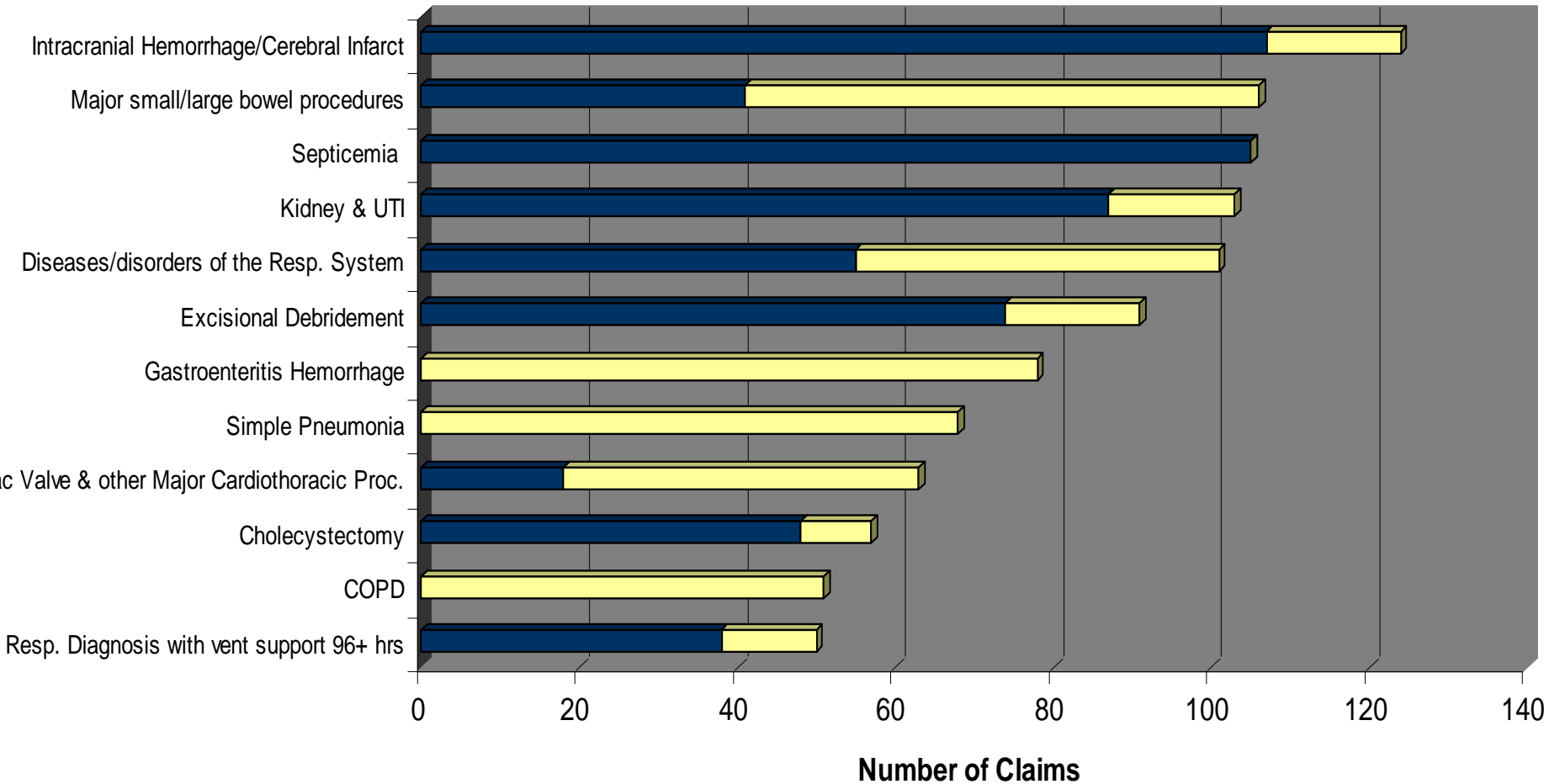
- 7 of the 7 Ministry/Affinity Acute Care Facilities
- Total of 1804 Records requested to Date
 - Total for 2010
 - Received 5 Audits
 - 854 Records
 - » Medical Necessity & DRG Validation Requests
 - » Medical Nec. issues: Syncope and Collapse, Kidney and UTI, Chest Pain, Musculoskeletal Disorders & Esophagitis, Gastroenteritis and misc digestive disorders
 - 2011 to date - 950
 - 1st Audit – 284 records
 - » Medical Necessity & DRG Validation Requests
 - » Medical Nec. Issues: PTCA procedures, Syncope & Collapse, Kidney & UTI, Musculoskeletal Disorders & Esophagitis, Gastroenteritis and misc digestive disorders
 - 2nd Audit – 277 records
 - » Medical Necessity & DRG Validation Requests
 - » Medical Nec. Issues: PTCA procedures, Other vascular procedures, Musculoskeletal Disorders & Kidney & UTI
 - 3rd Audit – 193 records
 - » Medical Necessity, DRG validation & Inpatient Admission Order validation Requests
 - » Medical Nec. Issues: Respiratory; Kidney and UTI; Circulatory System Diagnoses; COPD; Cardiac Arrhythmia; Acute Inpt hospitalization Infections, Musculoskeletal Disorders, Respiratory Conditions, Circulatory System
 - 4th Audit – 196 records
 - » Medical Necessity, DRG validation & Inpatient Admission Order validation Requests
 - » Medical Nec. Issues: Respiratory; Kidney and UTI; Circulatory System Diagnoses; COPD; Cardiac Arrhythmia; Acute Inpt hospitalization Infections, Musculoskeletal Disorders, Respiratory Conditions, Circulatory System

■ Total of med nec request ■ Inpt Admitting Order ■ DRG Validation

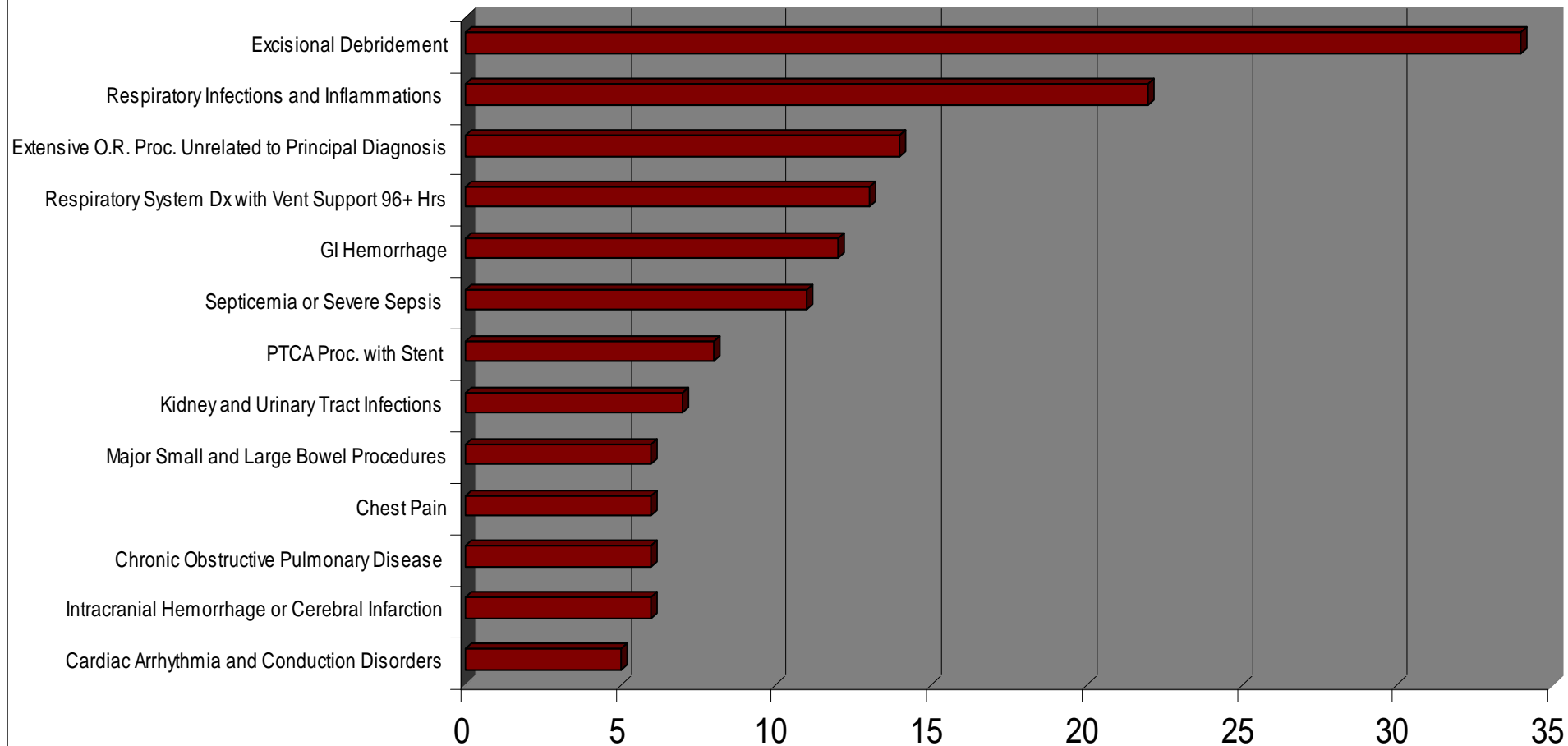


Top Complex Targets

■ Claims in 2010 ■ Claims in 2011



Top Complex Denials by DRG (Top 13)

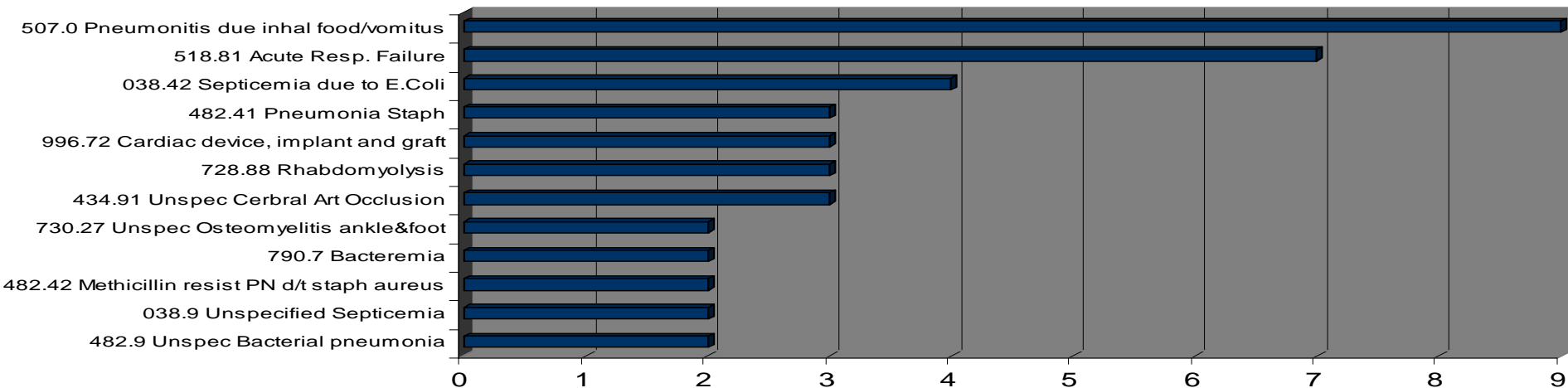


Top Complex Denials by ICD-9 for Principal Diagnosis

Principle Diagnosis Codes (79 codes)

- 9 were 038.9 & 038.42 (Sepsis)
 - RAC wants to switch to 599.0 (UTI)
- 10 were 518.81, 518.84 & 518.83 (Acute Respiratory Failure)
 - RAC wants to switch to 038.9 (Sepsis)
- 18 were 482.41, 482.42, 482.0, 482.9, 486 & 507.0 (Pneumonia/Pneumonitis)
 - RAC wants to switch to 038.9 & 038.11 (Sepsis)

Top 12 Principal Diagnosis Codes

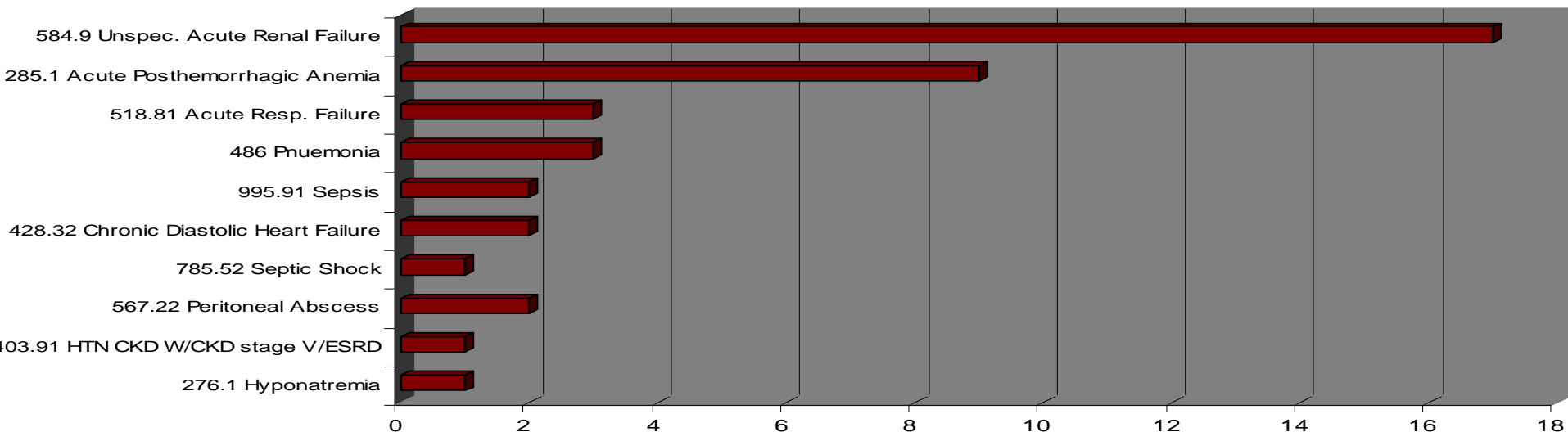


Top Complex Denials by ICD-9 for Secondary Diagnosis

Secondary Diagnosis Codes (63 Codes)

- 17 were 584.9 (Acute Renal Failure)
 - RAC wants to remove or switch to 593.9 (Unspec. Disorder Kidney & ureter)
- 9 were 285.1 (Posthemorrhagic Anemia)
 - RAC wants to remove this code
- 3 were 518.81 (Acute Respiratory Failure)
 - RAC wants to remove this code
- Removing the secondary diagnosis code typically changes the DRG from a DRG with a CC/MCC to one without a CC/MCC

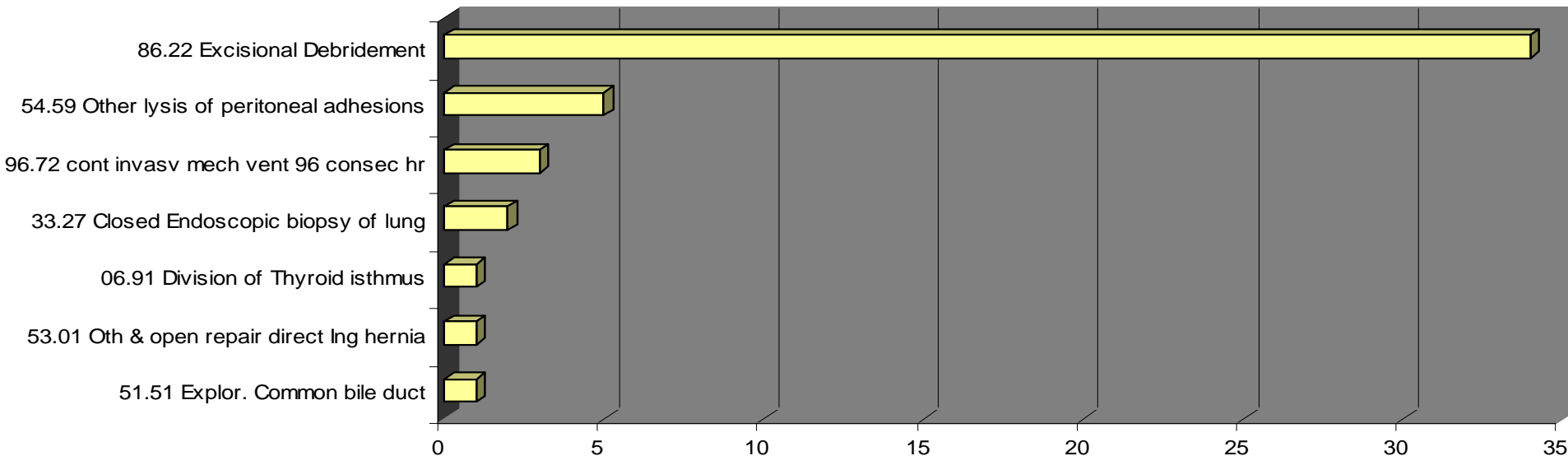
Top 10 Secondary Diagnosis Codes



Top Complex Denials by ICD-9 for Procedure Code

- Procedure Codes (49 Codes)
 - 34 were 86.22 (Excisional Debridement)
 - RAC wants to switch to 86.28 (Nonexcisional Debridement)
 - 5 were 54.59 (Lysis of Peritoneal Adhesions)
 - RAC wants to remove this code

Top 6 Procedure Codes



Top Complex Underpayments by ICD-9

- **Principle Diagnosis Codes (38 Codes)**
 - Common RAC issues found:
 - UTI to Sepsis (599.0 to 038.9 or 038.42)
 - UTI to Acute Renal Failure (599.0 to 584.5 or 584.9)
 - Pneumonia/Pneumonitis to Septicemia (481, 486, 507.0 or 997.31 to 038.2, 038, 038.9, 038.11 or 038.8)
 - CHF to Septicemia (428.0 or 428.9 to 038.11)
 - Acute Respiratory Failure to Septicemia (518.81 to 038.9)
- **Secondary Diagnosis Codes (55 Codes)**
 - Common RAC issues found:
 - Adding the Secondary Diagnosis codes for:
 - Acute Renal Failure (584.9)
 - Digestive Complications (997.4)
 - Pneumonia (486 & 481)
 - Acute Heart Failure (428.21 & 428.22)
 - Acute Respiratory Failure (518.5 & 518.81)
 - Adding the secondary diagnosis code changes the DRG from a DRG without a CC/MCC to one with a CC/MCC
- **Procedure Codes (10 Codes)**
 - Common RAC issues found:
 - Majority of these claims involve the addition of a procedure code
 - Lysis of Adhesions (54.59)
 - Invasive Mech vent (96.71)

Medical Necessity

- To date we have received:
 - 30 Medical necessity denials
 - All were denied due to care provided in wrong setting (inpatient vs. outpatient)
 - 4 Inpatient Admission Order denials – the absence of!!
- Diagnosis (top 8 – in descending order)
 - Chest Pain
 - Cardiac Arrhythmia & Conduction Disorders
 - Heart Failure & Shock
 - Syncope & Collapse
 - COPD
 - Nutritional & Misc. Metabolic Disorders
 - Esophagitis, Gastroenteritis & Misc. Digestive Disorders
 - Medical Back
 - PTCA

RAC Complex Results

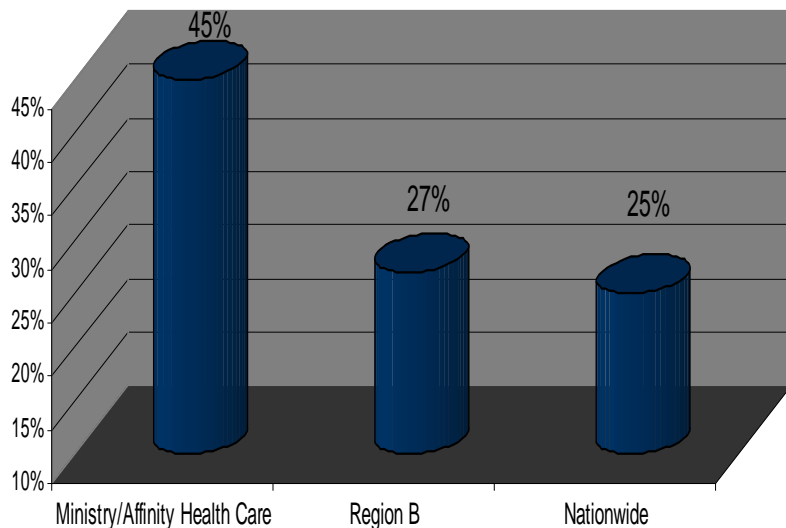
	1st Audit	2nd Audit	3rd Audit	4th Audit	5th Audit	6th Audit	7th Audit	8th Audit	9th Audit	Totals
Max # of Records RAC Could have Requested	287	288	263	457	457	457	457	402	400	
Total Records Requested	30	204	193	234	193	284	277	193	196	1804
No Findings										1415
# of No Findings	22	159	167	173	148	242	237	136	53	1148
% of No Findings	73%	78%	87%	74%	77%	85%	86%	70%		81%
Denials										
# of Denials (DRG/Med. Nec/Inpt Admin. Order)	4 / 0 / 0	31 / 0 / 0	13 / 1 / 0	41 / 3 / 0	31 / 0 / 0	26 / 0 / 0	24 / 3 / 0	18 / 23 / 4		177
% of Denials	13%	15%	7%	19%	16%	9%	10%	23%		13%
Appeals										
# of Appeals	0	8	10	20	16	10	15			79
% of Appeals	0%	26%	71%	45%	53%	40%	56%			45%
# of Appeals - WON	0	5	5	17	14	6	1			48
# of Appeals - LOST	0	2	3	1		2				8
Appeals Success Rate										86%
Underpayments										
# of Underpayments	4	14	12	17	14	16	13	9		90
% of Underpayments	13%	7%	6%	7%	7%	6%	5%	5%		6%
Original Payment Amount	\$594,177.49	\$2,364,625.60	\$2,510,931.21	\$2,369,239.16	\$2,941,125.76	\$2,634,131.76	\$2,790,316.62	\$2,376,915.75	\$2,518,979.80	\$21,100,443.15
Average Original Payment Amt	\$19,805.92	\$11,591.30	\$12,850.25	\$10,124.95	\$15,238.99	\$9,275.11	\$10,073.35	\$12,315.63	\$12,851.94	\$12,659.44

RAC Appeals

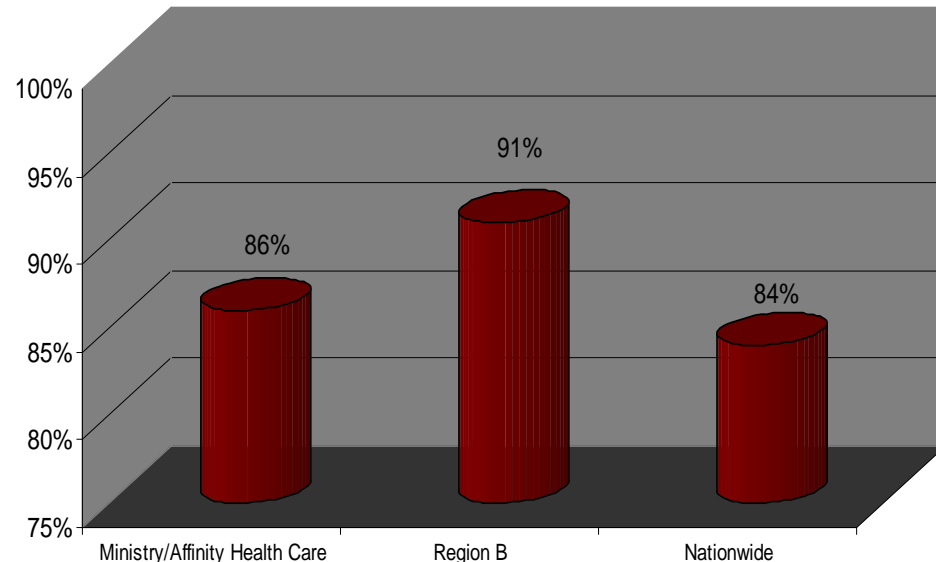
79 Appeals submitted (45% of denied claims)

- Won 48 Appeals (86% success rate on appeals)
 - Worth \$205,055.14
 - All at 1st Level of Appeals except 2 (which were at 3rd Level)
 - 1 case actually turned into an underpayment & we gained money with the appeal win!
- 15 in the Appeals process (worth \$55,852.88)
 - 12 at 1st Level of Appeals
 - 3 at 2nd Level of Appeals
- 8 pending Demand Letter to file our appeal
- 8 claims have been unsuccessful in the appeals process & further appeals will not be pursued

Comparison - Percentage of Denied Claims Appealed



Comparison - Success rate for Appeals WON



Financial Overview

RAC (Recovery Audit Contractor) Complex

Total Money at Jeopardy \$21,100,443.15 (Total from all 9 Audits)

		Original Payment Amt	Money Taken Back	Money Gained	Money recovered in Appeals	Money at Risk	Final Payment Amt
Closed Claims							
No Findings	1337	\$15,531,578.99					\$15,531,578.99
Overpayments	93	\$1,191,389.65	\$439,708.16				\$751,681.49
Underpayments	92	\$848,135.29		\$317,767.72			\$1,165,903.01
Appeals Won	48	\$527,851.09		\$2,547.90	\$202,507.24		\$530,398.99
Appeals Lost	8	\$86,949.55	\$48,833.84				\$38,115.71
Totals (for closed claims)	1578	\$18,185,904.57	\$488,542.00	\$320,315.62	\$202,507.24		\$18,017,678.19
Open Claims							
Pending Initial Determination	147	\$2,188,040.61					
Pending an Underpayment (Demand) Letter	7	\$70,836.91					
Pending a Demand to close out(not appealing)	7	\$87,787.04					
Pending a Demand Letter to file an appeal	8	\$80,880.86					
Appeals in the Appeals process	15	\$150,520.01				\$55,852.88	
In the Review Process for Appealability	42	\$336,473.15					
Totals (for open claims)	226	\$2,914,538.58				\$55,852.88	
Totals (for open/closed claims)	1804	\$21,100,443.15					

Approximately a 1% difference.

RAC Page Reimbursement

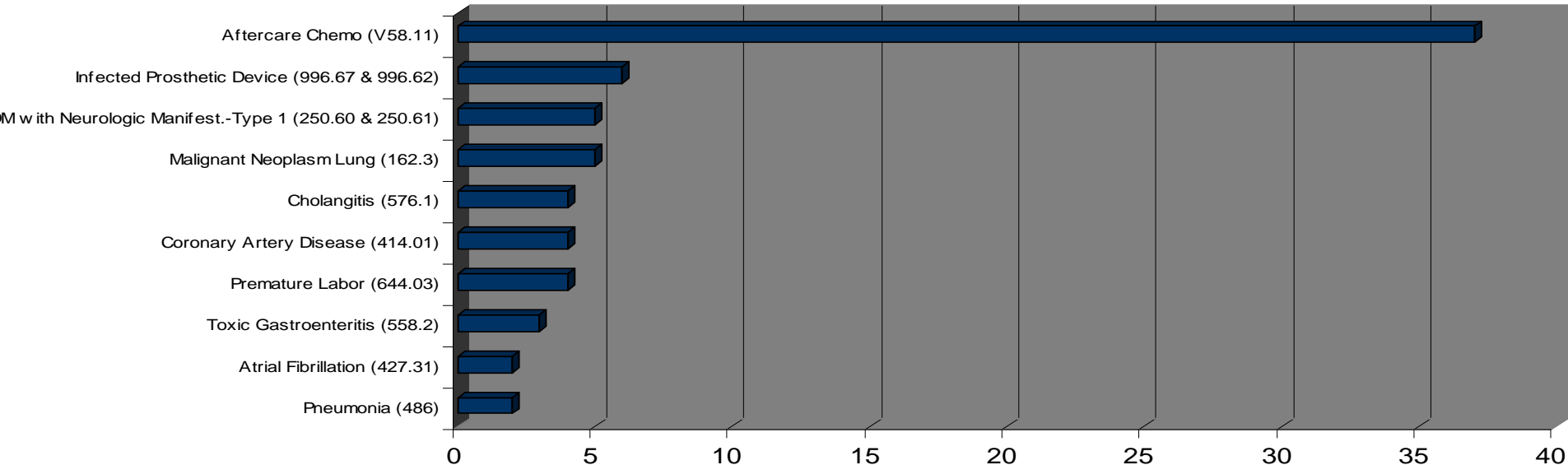
- **299,514 Pages**

- Sent to RAC To Date
- Sending all Medical Records to the RAC on CD's
- Totals for 2010
 - Received 5 Audits
 - 181,733 Total Pages
 - Reimbursed for 175,518 (have 6,215 pages outstanding)
 - Total of \$22,291.13
- 2011 to date
 - 1st Audit
 - Total # of pages - 38,406
 - 2nd Audit
 - Total # of pages - 37,639
 - 3rd Audit
 - Total # of pages - 24,418
 - 4th Audit
 - Total # of pages - 17,318

Medicaid Integrity Contractor (MIC) Audits

Received 2 MIC Audits

- Original request
 - 5 out of the 7 Acute Care Facilities received request
 - \$636,299.74 Total at Jeopardy
 - 116 Total Request (only 47 patients)
 - Common occurrence - pt's readmitted within 30 days
 - 35 different Principal Diagnosis codes
- Results to date
 - No Findings – Total to date 19
 - Worth \$67,673.74
- Expansion request
 - 1 of the original 5 facilities received
 - \$39,764.00 Total at Jeopardy
 - 10 Total Request (only 4 patients)



Other Federal Audit Activity

- **CERTS (Comprehensive Error Rate Testing)**
 - 44 requests
 - 13 Ministry/Affinity Facilities
 - Requests for both Medicare Part A & Part B
 - Focused on a total of 77 different codes (Lab tests, Physical Therapy, Clinic Visits, ED Visits, Radiological Tests, Injections, Venipunctures, PTCA without stents, Cardiac pacemaker implant, circulatory disorders, and others), Wheel chair, Hospital Bed
- **PERM (Payment Error Rate Measurement)**
 - 1 PERM audit received
 - Received by Ministry Hospice
- **MAC/FI**
 - Total of 250 requests received
 - All requests have been for Ministry Home Care/Hospice
 - 61 denials were received
 - 55 have been overturned (worth \$178,574.69)
 - 3 remain in the appeals process (worth \$7,872.63)
 - 1 has been upheld (at level 4) (worth \$4,743.00)
 - 2 partially upheld (worth \$2,527.31)
- **Prepayment Probes (From the FI)**
 - 520 Prepay Probes
 - 12 Ministry/Affinity Facilities received requests
 - Issues: Modifier 25, Diagnostic X-rays, Clinic Visits, Physical Therapy Services, X-rays of Thoracic Spine, Abdominal Ultrasound, Home Health, Hospice and Surgical Debridement

MAC (Medicare Auditor Contractor) Totals

Total Money at Jeopardy \$674,977.97

		Original Payment Amt	Money Taken Back	Money recovered in Appeals	Money at Risk	Final Payment Amt
Closed Claims						
No Findings	189	\$477,525.81				\$477,525.81
Overpayments	1	\$4,743.00	\$4,743.00			\$0.00
Appeals won	55	\$178,574.69		\$178,574.69		\$178,574.69
Partial Appeal won	2	\$6,261.84	\$2,527.31	\$3,734.53		\$3,734.53
Totals (for closed claims)	247	\$667,105.34	\$7,270.31	\$182,309.22		\$659,835.03
Open Claims						
Appeals in the Appeals process	3	\$7,872.63			\$7,872.63	
Totals (for open claims)	3	\$7,872.63			\$7,872.63	
Totals (for open/closed claims)	250	\$674,977.97			\$7,872.63	

**MAC activity to date has been isolated to Home Care and Hospice

Questions?

- For additional information or to be added to the RAC Relief Listserv, please direct requests to:

larry.hegland@ministryhealth.org

or

<http://groups.google.com/group/rac-relief>

or

715-393-2487