

New prepayment audits strike fear in Medicare providers

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Reviews of Medicare claims using the traditional “pay and chase” method are nothing new, but if documentation is not thorough or if billing practices vary significantly from peers, recent pre-payment audits will threaten the existence of some psychology practices that treat older adults.

One psychologist, who requested anonymity because he is currently under audit by a contractor for the Center for Medicare and Medicaid Services (CMS), said he has received no reimbursement for his Medicare patients for about three months.

The payments are being withheld under a prepayment auditing method that delays reimbursements until extensive reviews of his records are completed.

The psychologist said his Medicare claims have been under prepayment review since early this year, and he has received no notice as to when the reviews will be completed. Without that income, he questions how he can meet his patients’ needs – or even continue his practice.

“What to do about my elderly patients and their families is a very serious part of all this. I ethically feel I cannot abandon them. So I am still seeing them,” he said.

Earlier this year, he received a six-page letter from a CMS subcontractor notifying him that his claims had been selected because of “aberrancies” in billing. The contractor requested documentation for 100 claims from about 50 patients he had seen in assisted living facilities and in his out-patient office.

The psychologist said he called a contact number numerous times with no returned phone calls. Payments were denied on those claims, and he submitted documentation for an additional 146 claims. At the time of our interview, he had received an email saying he had not been given feedback yet due to “phone problems,” with a promise he would be receiving education soon regarding the problems with his claims.

Targeted ‘Probe and Educate’

The new method of auditing, known as Targeted Probe and Education (TPE), has been adopted by Medicare Administrative Contractors (MACs) throughout the country, but the manner of conducting them appear to differ somewhat.

According to Alan Duretz, president of PhyBill, an electronic health records company, TPE audits are definitely on the increase in Florida in both large groups and solo practices. “They do tend to impart fear, Duretz said, “but most providers have nothing to fear if their notes meet compliance standards.”

The “E” in TPE (education) seems to be the emphasis. Auditors may suggest improvement in justifying medical necessity and making treatment plans more specific. Suggested changes have included mention of measurable symptoms and behaviors and showing connections between previous visit goals and the current session.

“They like to see progress and work toward progress at each session,” he said.

A source who teaches providers about Medicare regulations in long-term care facilities asked for anonymity and said mental health providers appear to be selected from data analytics identifying a high number of hours per day for procedure code CPT 90832 (psychotherapy for 16 to 37 minutes).

The Centers for Medicare and Medicaid Services (CMS) announced in August 2017 that it would begin TPE after pilot programs with four Medicare Administrative Contractors (MACs) demonstrated success.

CMS described that success as “including an increase in the acceptance of provider education as well as a decrease in appealed claims’ decisions.” CMS has asked Medicare Administrative Contractors (MACs) to focus on providers whose billing practices vary significantly from their peers.

The nationwide program covers all Medicare providers, not only those in mental health, and according to CMS, “will select claims for items/services that pose the greatest financial risk to the Medicare trust fund and/or those that have a high national error rate.”

In a process similar to that adopted recently for the short inpatient admission review process by the Quality Improvement Organizations (QIOs), the audit process usually includes a review of 20 to 40 claims, which is to be followed by one-on-one, provider-specific education often conducted by nurses. “Providers/suppliers with high error rates after round two will continue to a third and final round of probe reviews and education,” CMS continued.

In addition to education at the conclusion of each probe review of 20 to 40 claims, MACs are directed to educate providers throughout the probe review process.

The psychologist quoted at the beginning of this article said he has not received any education after initial submission of claims.

The TPE process is similar to what CMS has adopted to audit for short inpatient admission status, where the audits are directed at hospitals with a high percentage of short inpatient admissions or a high number of admissions of error-prone diagnoses, such as chest pain.

But, unlike those audits, the new TPE allows for three rounds of audits before referral back to CMS to consider further action, such as referral to the Recovery Audit Contractors (RACs) and complete pre-pay review.

A CMS demonstration project begun in 2012 first allowed Medicare Recovery Auditors (RACs) to review claims before they are paid to ensure that the provider complied with all Medicare payment rules.

According to the CMS website, the Recovery Auditors conducted prepayment reviews on certain types of claims that historically resulted in high rates of improper payments, with initial reviews focusing on seven states with high populations of fraud- and error-prone providers (Florida, California, Michigan, Texas, New York, Louisiana and Illinois).

In a frequently asked question section of the CMS website about TPE, common errors reported were issues related to face-to-face requirements, including lack of provider signatures, documentation not supporting all of the elements for medical necessity or no estimate of time for a continued need for service.

CMS believes such common errors can be effectively addressed by provider education.

Note: The CMS announcement can be found at:
<https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Medical-Review/Targeted-Probe-and-EducateTPE.html>