



## 501. Review Choice Demonstration

**FINANCIAL MANAGEMENT CONFERENCE & EXPO**



# Review Choice Demonstration

## Continuing Education

The planners and presenters of this activity disclose **no relevant relationships** with any commercial entity **pertaining to the content.**

- Nurse attendees may earn a maximum of **15.5 contact hours**
- Accountant attendees can earn up to **18.9 CPEs**

### Accreditation Statement

*NAHC is accredited as a provider of continuing nursing education by the American Nurses Credentialing Center's Commission on Accreditation.*

*NAHC is [also] approved by the California Board of Registered Nursing, provider #10810.*

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*Commercial Support provided by Brightree, Excel Health Group, Healthcare Provider Solutions, and Simione Healthcare Consultants.*

## Introductions

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## Background

- CMS announced it would be implementing a pre-claim review demonstration program:
  - Illinois – August 1, 2016
  - Florida – October 1, 2016
  - Texas – December 1, 2016
  - Michigan and Massachusetts – January 1, 2017
- The demonstration would run through June 30, 2019
- Touted as a fraud-fighting technique migrating away from the former pay and chase model

## Background

- Pre-claim Review Demo began in IL on August 3, 2016
- CMS determined additional education efforts would be helpful before expansion to other states, so halted expansion to FL in October 2016
- CMS announces in December 2016 that pre-claim review would begin in FL in April 2017
- On April 1, 2017, pre-claim review was paused in IL and was not expanded to other states
- During pause, CMS “worked to...incorporate more flexibility and choice...as well as risk-based changes to reward providers who show compliance...”

## Background

- On May 29, 2018, CMS announced its intent to implement Review Choice Demonstration and sought public comments
- On September 27, 2018, CMS published responses to comments and subsequent notice and public comment period.
  - Concerns of delays in care or lack of access to care
  - Increased administrative burden and/or costs for providers
  - Concerns that RCD will increase hospitalization rates, lead to long-term healthcare consequences, and associated costs
- CMS disagreed with most of the comments

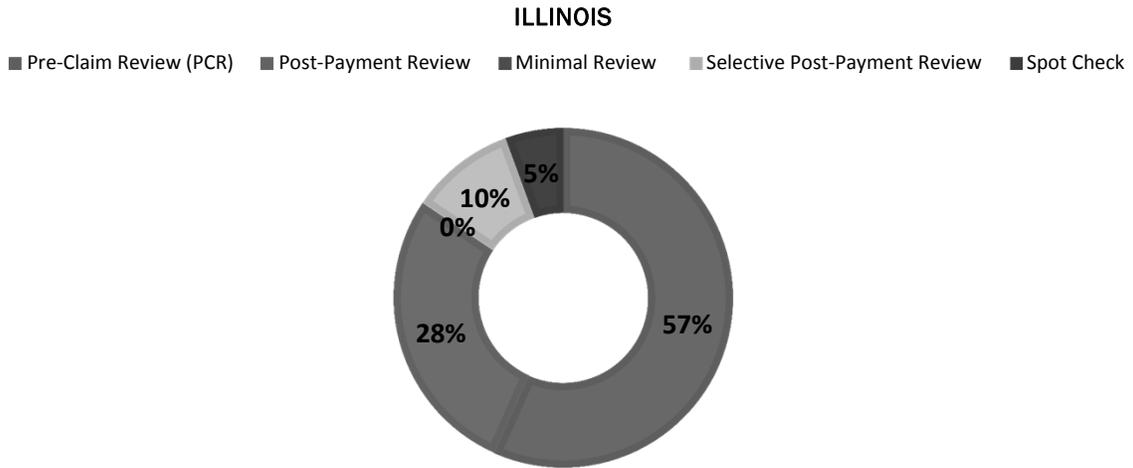
## Background

- On 4/3/2019, CMS announced the revised Review Choice Demonstration
- HHAs will select from three initial choices
  - Pre-claim Review
  - Post-payment Review, or
  - Minimal post-payment review with a 25% payment reduction
- After 6 months, if claim approval is 90% or higher, additional options include:
  - Pre-claim Review
  - Selective Post-payment Review, or
  - Spot check Review
- Review Choice Demonstration began in IL on June 1, 2019

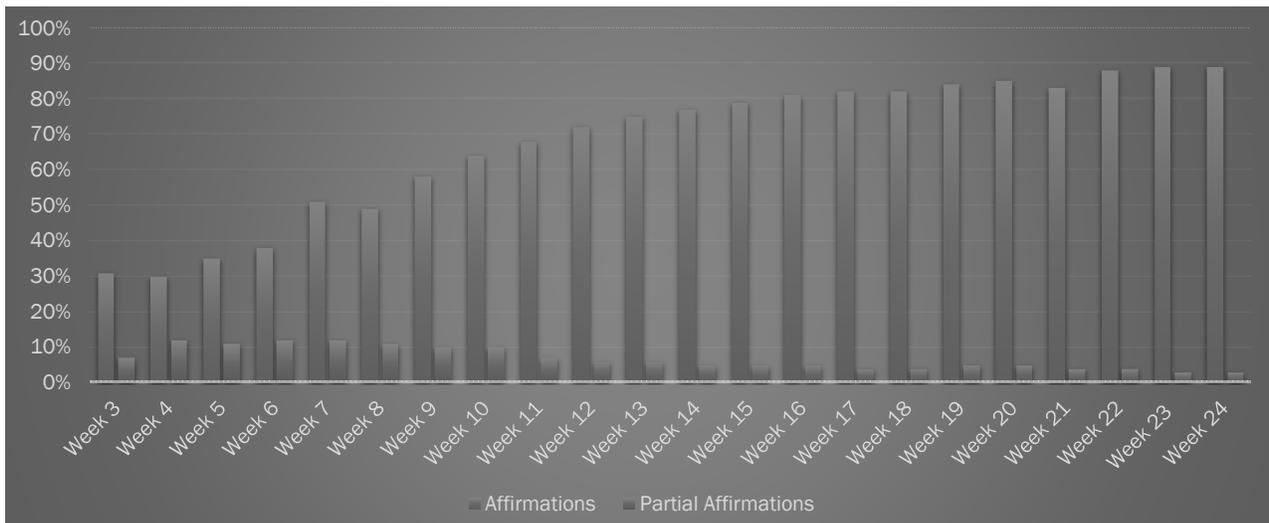
## Background

- This Review Choice Demonstration impacts the states of Illinois, Ohio, North Carolina, Florida and Texas.
- It includes only Home Health Agencies (HHAs) in those states that bill to Palmetto GBA, the Jurisdiction M Medicare Administrative Contract (MAC).
- The choice selection period began on April 17, 2019 and ended on May 16, 2019 in Illinois. Following the close of the choice selection period, the demonstration began on June 1, 2019, and all episodes of care starting on or after this date will be subject to the requirements of the choice selected.
- Ohio, Texas, North Carolina, and Florida will be included in the demonstration in the future. CMS and Palmetto GBA will provide at least 60 days' notice prior to the demonstration starting in each additional state.

# Current State



# Summary of Findings from Illinois



## Summary of Findings from Illinois

- Skilled nursing services/therapy not medically necessary or documented
- Homebound status not documented
- Encounter (Face-to-Face) documentation missing/incomplete
- Other documentation errors
  - Certifications
  - Orders
  - Signatures

## Lessons Learned from Illinois Providers

- We underestimated being ready based on our previous positive experiences with TJC deemed status accreditation surveys
- After 100% pre-claim review internally the first several months we were having less than 30% being affirmed
- Primary reasons for non or partial affirmation related to Technical focus on POC and MD Certification requirements
  - All inclusive Certification Statement on POC
  - No face-to-face form; looking for “actual” encounter visit note (H&P)
  - Similar results for “Target, Probe & Educate” (TPE) Medical Review
- Secondary reasons for “open to interpretation” issues we are well acquainted with: Homebound and Medical Necessity

## Lessons Learned from Illinois Providers

- Required implementation of new/modified processes “PDQ” to ensure documentation required for pre-claim review is completed accurately and timely
  - Process determination – high level, objective, compliance & quality
  - Written record of entire process
    - Detailed by Task, Owner (role), Responsible person(s) & Completion Date
  - PCR Audit Tool
  - POC/Certification FAX Cover Sheet
  - Claim Tracking Spreadsheet
    - Must include the Unique Tracking Number (UTN) assigned
    - Multiple dates to track – receipt, send/re-send
    - Data entry starts in Intake – initiates PCR process

## Overview of Process

- Initially, HHAs can choose from three claim review options:
  - Option #1:** Pre-claim Review
  - Option #2:** Post-payment Review, or
  - Option #3:** Minimal post-payment review with a 25% payment reduction\*
- Re-calculated every 6 months
- If NO choice is made - automatically defaults to Option #2 Post-payment review group
- \*Option #3 – must remain in that choice for duration of demonstration regardless of compliance
- HHAs that have 90% or higher affirmation rate will have two additional options:
  - Selective Post-payment Review; and
  - Spot check Review
- No new clinical documentation requirements – agencies expected to submit the same information currently required to maintain for Medicare billing.

## Pre-Claim Review Option

- All episodes of care are subject to pre-claim review
- HHA may submit a pre-claim request at any time prior to submission of final claim
- An individual request may include multiple episodes for a beneficiary
  - The request must be submitted prior to the final claim being submitted for the first episode on the request
  - For any additional episodes included in the request, a valid plan of care must be included with the documentation for that request
- Claims submitted without PCR will (a) undergo prepayment review and (b) receive a 25% payment reduction on all payable claims
- MAC initial review – 10 days; Resubmission – 20 days
- Affirmation rate is calculated every 6 months

## Pre-Claim Review Option Advantages and Disadvantages

- **Advantages**
  - HHA is in control of when claim is ready for review by MAC
  - Opportunity for corrections and clarifications to ensure payment
    - Differs from ADR pre-claim request – don't get a "denial"
    - HHA can disagree with decision and resubmit request
  - Affirmed claims are not subject to further MAC review
  - Requires documentation accuracy and operational efficiency – critical under PDGM
- **Disadvantages**
  - Impacts cashflow; can be a long process of resubmissions
  - Requires comprehensive internal review/submission/tracking process implemented
  - Inefficiencies in clinical operations and/or revenue cycle will also impact cashflow
  - Invested in operational efficiency and continually working toward improving

## Post-payment Review Option

- HHA submits claims for each episode
- Each claim is processed and paid per normal CMS procedures
- 100% of claims are reviewed after final claim submission
- MAC send ADRs and follows CMS post-payment review procedures
- Approval rate is calculated every 6 months

## Post-payment Review Option Advantages and Disadvantages

- **Advantages**
  - No delay in payment
  - Additional time to respond (45 days to respond to ADR)
- **Disadvantages**
  - MAC has 60 days to review and make decisions
  - Could lead to overpayments
  - If you disagree with the decision, you must navigate the appeal process
  - Unresolved overpayments could lead to interest accruing

## **Minimal Review with 25% Payment Reduction**

- HHA receives a 25% payment reduction on 100% of claims
- Claims are excluded from MAC targeted probe and educate reviews (TPE)
- Claims may be subject to potential Recovery Audit Contractor (RAC) review
- Provider remains active in this choice for the duration of the demonstration (5 years)
  - Exception if ownership changes

## **Minimal Review with 25% Payment Reduction Advantages and Disadvantages**

- **Advantages**
  - No delay in payment
  - Overall percent of paid claims (reduced rate) will be higher than other options
  - Minimal MAC review; No concerns of TPE
  - Fixed period – decrease time to modify operations; less resources
- **Disadvantages**
  - Reduced payment
  - Fixed Option for 5 years duration of demonstration
  - Potential for RAC – extrapolation of already reduced payment

## **Subsequent Review Choices: Selective Post-payment Review**

- After 90% threshold reached, HHA may select this option
- Subsequent default option
- Every 6 months, the MAC will select for post-payment review a SVRS of claims
- HHA remains in this choice for remainder of the demonstration and will not have an opportunity to select another choice

## **Selective Post-payment Review Advantages and Disadvantages**

- **Advantages**
  - Not going through PCR for all episodes, but rather a sample of claims
  - No delay in payment
- **Disadvantages**
  - Having to respond to post-payment review every 6 months
  - Could lead to overpayments, which could potentially be extrapolated
  - If you disagree with the decision, you must navigate the appeal process
  - Unresolved overpayments could lead to interest accruing

## Subsequent Review Choices: Spot Check Review

Every 6 months, HHA's may select from one of the three subsequent review choices if the pre-claim review affirmation rate or post-payment review approval rate is 90% or greater.

- MAC will suspend 5% of provider's claims randomly for pre-payment review
  - Conducted every 6 months; notified within 30 days if met threshold
  - The 5% is based upon HHA's claim submission average previous 6 months
- MAC will notify HHA of claims selected for review
- Follows ADRs and pre-payment review process
- Must meet compliance threshold of at least 10 claims
- Providers may remain in this option as long as they continue to show compliance with Medicare coverage rules and guidelines.

## Spot Check Review Advantages and Disadvantages

- **Advantages**
  - Claim submission efficiency and increased cashflow
  - Claim review based on volume
  - Claims with affirmed UTNs will not be selected for spot check review
  - Already "know the drill" follows the same ADR & Appeal process
- **Disadvantages**
  - Will need to have process and resources available every 6 months to respond/manage/track ADR requests
  - Hard to maintain - investment in documentation and process improvements to stay in spot check
  - If chose Option #3 unable to ever move into spot check regardless of error rate

## Strategies, Tools and Resources

- Incorporate other strategies already in motion for RCD readiness to evaluate for operational efficiency
  - PDGM Readiness:
    - Intake, Orders Management, Episode/Case Management, QAPI, Billing
  - Focus Evaluation on:
    - Clinical documentation completion efficiency and accuracy
    - Documentation review and workflow efficiency
    - Operational consistency – accountability, productivity, action plans
  - MODIFY the design but no need to “*re-invent the wheel*”!
    - Auditing & Monitoring - start with a baseline
    - Incorporate all meetings under QAPI & PIPs

## Strategies, Tools and Resources

- Pre-Claim Internal Audit
  - Use the Palmetto GBA checklist to ensure PCR request is complete
    - [RCD Pre-Claim Review Initial Episode Checklist.pdf](#)
    - [RCD Pre-Claim Review Subsequent Episode Checklist.pdf](#)
  - Modify audit tool to focus on technical requirements for pre-claim review – non-clinical
- Additional Resources:
  - RCD Frequently Asked Questions (FAQs); updated 6/14/2019
    - [RCD for Home Health FAQs](#)
  - CMS RCD Operations Guide updated May 9, 2019
    - [RCD Operations Guide](#)

## THANK YOU Questions?



## Contact Information

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