



## **Review Choice Demonstration**

**June 2019**



In 2016, the Centers for Medicare & Medicaid Services (CMS) began a three-year Pre-Claim Review Demonstration for home health agencies that potentially impacted five states – Illinois, Florida, Texas, Michigan and Massachusetts. This demonstration was part of CMS' program integrity efforts, and it was implemented in Illinois during 2016 with plans to expand implementation in Florida. Under Pre-Claim Review, Medicare certified home health agencies were to submit a claim and all required supporting documentation for that claim for review prior to the claim being paid. This was for 100% of all Medicare home health fee-for-service claims.



On April 1, 2017, CMS paused the Pre-Claim Review Demonstration for Home Health Services to consider a number of changes in response to feedback from NAHC and other stakeholders. On May 29, 2018, CMS first announced its intention to implement the Review Choice Demonstration (RCD) for Home Health. The RCD is the result CMS developed in response to the Pre-Claim Review Demonstration feedback.

RCD is a 5-year demonstration for the following states with the option to expand into other states that are part of the Medicare Administrative Contractor (MAC) Palmetto GBA jurisdiction.

- Illinois
- Ohio
- North Carolina
- Florida
- Texas

CMS indicates that RCD incorporates more flexibility and choice for providers than Pre-Claim Review, as well as risk-based changes to reduce burden on providers demonstrating compliance with Medicare home health policies.

Despite the fact that “improper payments” in home health rapidly declined without RCD, it was implemented in Illinois on June 1, 2019. CMS has indicated it will provide 60 days notice before the Demonstration begins in any of the other four states. On July 29, 2019 CMS announced that RCD will begin in Ohio on September 30, 2019. In the same announcement, CMS stated it anticipates 60-90 days between beginning the demonstration in the remaining states of Texas, North Carolina and Florida.

HHAs will initially select between three review choices:

- Choice 1: Pre-Claim Review,
- Choice 2: Post-payment Review, or
- Choice 3: Minimal review with a 25% payment reduction. **(HHAs that select this choice will remain in this choice for the duration of the demonstration regardless of their claim approval rate).**

HHAs will have until two weeks prior to the start of the demonstration in their state to make their choice selection. HHAs can make their selection by utilizing the Palmetto GBA eServices online provider [portal](#) or contact the Palmetto GBA provider contact center at 1-855-696-0705 from 8:00 AM to 4:30 PM Eastern Standard Time (EST). HHAs may select from one of the three review choices available to them. HHAs should be sure to read each choice thoroughly prior to making a selection as some selections will be locked-in for the duration of the demonstration.

HHAs who select either Choice 1 or Choice 2 will be evaluated for 6 months. If the HHA's full affirmation rate or claim approval for those 6 months is 90 percent or greater (based on a minimum of 10 submitted pre-claim review requests or claims), the HHA may select one of the three subsequent review choices:

- Choice 1: Pre-Claim Review,
- Choice 4: Selective Post-payment Review, or
- Choice 5: Spot Check Review.

**HHAs that do not actively choose one of the subsequent review options will automatically be assigned to participate in Choice 4: Selective Post-payment Review, and will remain there for the duration of the demonstration.**

**Please note:** Palmetto has indicated it is reaching out to all HHAs choosing either Choice 3 or Choice 4 to be certain these providers understand the choice is permanent for the duration of the Demonstration. In such HHAs, if the person submitting records is not the person the HHA wants Palmetto or the RCD reviewer to contact with questions, Palmetto suggested the HHA should put the name of the desired contact person in the Submitter box that appears in the RCD choice selection process.

If the HHA's rate is less than 90% or they have not submitted at least 10 requests/claims, the HHA must again choose from one of the initial three options.

Illinois HHAs who previously participated in the initial pre-claim review demonstration and met the 90 percent target full provisional affirmation rate (based on a minimum 10 requests submitted) were able to select from the three subsequent review choices above, and did not need to start in one of the initial three review choices.

Important items of note relative to the RCD below:

- If a provider has multiple NPIs but with one PTAN – each NPI is to make a RCD selection as each NPI has its own calculated rates.
- A HHA's affirmation rate is calculated on the initial submissions and any resubmissions. If a provider believes they have an incorrect calculation they are to contact the Palmetto PCC and request a review of the calculation.

- Palmetto GBA has indicated that HHAs under a Targeted Probe & Educate (TPE) review with Palmetto will be removed from the TPE when the RCD begins in their state and after the provider has completed the TPE round it is in when the RCD begins. Providers will not be under both reviews simultaneously. Additionally, an HHA under a UPIC (Unified Program Integrity Contractor) is not eligible for the RCD. Any such providers may receive a letter from Palmetto indicating this. If the RCD is occurring in their state when the UPIC review is completed, the HHA will need to make an initial RCD choice. This does not mean claims that are part of the RCD will never be reviewed by a UPIC. They may be subject to UPIC review if fraud is suspected. Also, claims may be selected as part of the CERT (Comprehensive Error Rate Testing) sample. Again, claims falling under RCD will be excluded from regular MAC TPE reviews.
- CMS has published a [RCD HH Operational Guide](#) that all providers affected by RCD should review. There are also several other helpful resources for RCD available from Palmetto. They are located at the Palmetto GBA Home Health Review Choice Demonstration [webpage](#).

Resources:

1. [CMS Review Choice Demonstration Webpage](#)
2. [CMS Home Health FAQs](#)
3. [Palmetto GBA Review Choice Demonstration Webpage](#)
4. [RCD Flowchart](#)
5. [Review Decision Flowchart](#)
6. [RCD Home Health Operational Guide](#)
7. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Choice-Demonstration/Downloads/RCD-Education-for-Documentation-Errors.pdf>
8. Palmetto Documentation Checklists
  - a. [Pre-Claim Review Initial Episode Checklist](#)
  - b. [Pre-Claim Review Subsequent Episode Checklist](#)
9. Palmetto RCD Call [Schedule](#)

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