

## **CONFIDENTIAL**

### **Medicare Billing Audit and RAC Readiness Review**

**Brandon Woods of Dartmouth  
567 South Dartmouth Street  
South Dartmouth, MA. 02748**

**Date of Visit: November 5, 2013**

**Polaris Consultant: Lisa Archuleta**

**Distribution:**

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**Polaris Group partnership includes:**

- *Polaris Pulse Newsletter* faxed to you every other week; includes pertinent updates that impact LTC
- Access to the *Polaris Group Solution Center 1-800-759-5533* Available five days a week to answer your questions
- Site visits by a *Polaris Group Consultant* - see available consulting at end of this report.



## Medicare Billing Audit and RAC Readiness Review Brandon Woods of Dartmouth

### OVERVIEW

On November 5, 2013, Lisa Archuleta, Polaris Consultant, provided consulting services for **Brandon Woods of Dartmouth**. The purpose of this visit was to provide the Medicare Billing and Post-Payment Readiness audit. The objective is to determine procedural accuracy of the Medicare UB-04 claim forms that include therapy services, evaluate the appropriateness of Medicare billing based on Federal guidelines by performing an audit of UB-04s and medical records to evaluate the following:

1. Current Medicare billing procedures
2. Ensure timely and accurate billing and revenue
3. Compliance with Medicare requirements
4. Identification of risk areas

All UB-04 and chart audit findings were shared in detail with appropriate staff with recommendations for individual follow-up. Review of findings and recommendations provided during exit meeting.

Please feel free to call me at [REDACTED] if you have any questions or concerns regarding this report.

**Number of Charts Audited:** Four Medicare Part A

**Staff Interviewed:** Business Office, MDS, Medical Records, DON

**Individuals Present at Exit Conference:** Charlene Doberck, Administrator, MDS, DON, Business Office

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### PRIORITIES FOR ACTION PLANNING

**Physician Certification/Re-Certifications:** Physician Certifications and Re-Certifications are needed from the physician to verify the need for the skilled service.

- Some of the Physician Certification/Re-Certifications were missing the written date by the physician or were dated by someone other than the physician.

**Recommendation:** Physician Certifications and Re-Certifications should be signed and dated by the physician. If no date is obtained, a date received stamp should be used with the signature of the clinical staff on the date received.

**Diagnosis Coding:** The admitting diagnosis code should be the reason the resident was admitted to the facility. An aftercare code would be appropriate.

- V57.89 was the admitting diagnosis code on the claims audited.
- The diagnosis codes on the claims should support the level of care billed and sequenced appropriately.

**Recommendation:** Contact Net Solutions in regards to proper setup of diagnosis codes in the software to ensure the correct admitting diagnosis code and proper sequenced codes are on the claim.

**Therapy Treatment Duration:** A pattern was discovered of rounding treatments to either the nearest 5 minute increment, or the same number of treatment minutes for multiple treatments.

- Each patient reviewed had some pattern of rounding the treatment duration.

**Recommendation:** Actual minutes of treatment should be recorded.

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### PRIORITIES FOR ACTION PLANNING, continued

**Therapy Evaluations:** It is the policy of the facility to have Therapy Evaluations signed by the attending physician.

- The Medicare Part A records did not have the signed evaluation by the Physician at the time of this audit.

**Recommendation:** The process of obtaining Physician signatures for therapy evaluations should be reviewed to ensure this process occurs timely. Audits should also be performed to ensure this is accomplished. The signatures should also be dated by the physician, or date stamped when received signed by the facility.

**UB-04 Claims:** Correct revenue codes for treatment of Physical, Occupational, and Speech Therapy for a SNF are 420, 430, and 440. The number of Service Units on the claim is the number of days the resident was treated.

- The Service Units on all claims audited were using total treatment units.
- Revenue Codes for PT, OT, and SLP on the claims had the incorrect codes of 421, 431, and 441.

**Recommendation:** The revenue codes and service units on the UB-04 should be corrected in the software to the proper codes and units on Medicare Part A UB-04 claims.

**MSP Forms:** Responsibilities of Providers under MSP are to obtain billing information prior to providing services. It is recommended that you use the CMS questionnaire, or a questionnaire that asks similar types of questions.

- The charts audited did not contain the MSP form for the resident.

**Recommendation:** The Medicare Secondary Form should be completed for all new admissions and filed in the resident's financial chart.

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### BEST PRACTICES

Yes (Y) = MET, No (N) = Not Met NA = Did not Evaluate. All findings are based on charts audited or other data gathered during visit.

Admission/Eligibility/Notices		Comments
Y	Three day hospital stay met on charts audited.	
Y	Upon admission, method in place to obtain number of Medicare days available.	
Y	Review of Physician Orders to ensure diagnostics are performed prior to day of discharge from hospital or change in orders as safe and appropriate to meet resident needs.	
Y	Pre-Admission cost evaluation and intervention: Physician Orders immediately reviewed upon admission to ensure cost management within protocols and best practice.	
Y	<ul style="list-style-type: none"> <li>• Information regarding costs is readily available for admission decision.</li> </ul>	
Y	<ul style="list-style-type: none"> <li>• Pharmacy costs</li> </ul>	
Y	<ul style="list-style-type: none"> <li>• Special equipment/supplies</li> </ul>	
Y	Proper notification of non-coverage at time of admission, continued stay, or exhaustion of benefits (denial letters or ABNs) for Part A.	
Y	Proper notification of expedited review (Generic and Detailed Notices) for Part A.	
Y	Effective procedures in place to respond to an Additional Development Request (ADR) include organizational oversight of process.	Completed by the Corporate Office.
Y	FISS is checked a minimum of three times a week for ADR status.	Checked by the Corporate Office.
N	Proper completion of Medicare as Secondary Payer form for Part A.	No MSP form was found in the files audited.
Y	System in place to notify physicians/ER//Vendors when resident is on Part A and falls under consolidated billing rules.	

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Admission/Eligibility/Notices		Comments
Y	Therapy notified of admission in advance and orders obtained at time of admission.	
<b>Recommendations</b>		
<ul style="list-style-type: none"> <li>Recommend obtaining a MSP form on all residents admitted.</li> </ul>		

Physician Certification Part A - Based on charts audited		Comments
Y	Physician Certification for Skilled Level of Care reviewed had complete information per regulations meeting requirements (physician documentation, hospital form with required information signed and dated by SNF Attending, or certification form).	
Y	Physician Certifications for Skilled Level of Care reviewed were dated and signed by physician.	
Y	<ul style="list-style-type: none"> <li>No Missing Signatures (physician name stamps are not allowed).</li> </ul>	
Y	<ul style="list-style-type: none"> <li>If therapy is the skilled service, therapy interventions are noted on certification form.</li> </ul>	
N	<ul style="list-style-type: none"> <li>Dated by physician with signature or indication of date received (fax date, stamp date).</li> </ul>	Date was not completed by physician.
Y	Physician Certifications for Skilled Level of Care reviewed were completed, dated, and signed on or before due date.	
Y	Procedures in place for Delayed Certifications which include Delayed Certifications obtained as indicated to ensure compliance prior to billing.	
Y	If physician skilled LOC certification is not complete or timely, consider a signature and date on evaluation form (700/701), or in progress note, or detailed clarification order to determine compliance.	
Y	Is Physician signature legible? If not, is a Physician signature log available for review?	

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Physician Certification Part A - Based on charts audited	Comments
<b>Recommendations</b>	
<ul style="list-style-type: none"> <li>The signatures should be dated by the physician, or date stamped when received signed by the facility.</li> </ul>	

Therapy - Based On Part A Charts Audited		Comments
Y	Physician orders for skilled services.	
Y	Physician orders to evaluate and Treat	
	Clarification order/telephone order returned and signed and dated by physician per policy.	
Y	Clarification order includes specific modality, procedures, frequency, duration, and type of the therapy using CPT code terminology per policy.	
	Plan of Treatment complete. If not, indicate missing info below:	
Y	<ul style="list-style-type: none"> <li>Documentation by physician of approval of POT demonstrated by a complete and timely physician skilled LOC certification, or orders to evaluate and treat, and/or clarification order.</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Modality</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Frequency</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Duration reasonable to meet resident goals/needs.</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Prior Level of Function</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Measurable time limited goals</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Medical diagnosis and treatment diagnosis</li> </ul>	

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Therapy - Based On Part A Charts Audited		Comments
N	<ul style="list-style-type: none"> <li>Onset date</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Start of Care date</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Monthly summary</li> </ul>	
Y	Daily encounter note matches therapy service logs.	
Y	Weekly Summary notes by treatment intervention/modality.	
Y	Source document (e.g. therapy services log) for treatment minutes accurate in medical record, to include clinician's signature and initials; individual, concurrent, and group.	
Y	Systems in place to monitor COT rolling observation periods.	
N	Actual minutes are usually coded without a pattern of rounding.	All charts audited had rounding of total minutes per day.
Y	Actual (total) minutes are provided to MDS Nurse.	
Y	Physician approval of significant changes in treatment plan.	
Y	Physician orders for skilled services.	

**Recommendations**

- Recommend using actual treatment minutes.

Length of Stay		Comments
Y	For residents receiving therapy: Team identifies nursing skilled services during stay and at time of discharge from therapy.	

**Recommendations**

- None



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UB-04 Compliance - Based On UB-04s Audited for Part A and B		Comments
Y	UB-04 coding accurate (Bill type, days, etc).	
Y	<ul style="list-style-type: none"> <li>Bill type appropriate for resident current status</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Days billed for 5, 14, 30-Day MDS including COT, EOT, or EOT-R OMRAs meets PPS day requirements</li> </ul>	
Y	<ul style="list-style-type: none"> <li>Billed day count accurate not including day of discharge</li> </ul>	
N	<ul style="list-style-type: none"> <li>Are charges listed appropriately on UB-04? (Proper charge coding, actual charges when per-diem contracts are in place)</li> </ul>	Total treatment units provided for Medicare Part A claims.
Y	<ul style="list-style-type: none"> <li>Diagnosis coding on UB-04 is justified in corresponding medical record and pertinent to this resident stay.</li> </ul>	
N	<ul style="list-style-type: none"> <li>Principle/Primary and those diagnoses following support therapy as a skilled service, and/or supports need for continued skilled care.</li> </ul>	Principle and Primary diagnosis codes do not always support the need for skilled service.
N	<ul style="list-style-type: none"> <li>Admitting diagnosis is the reason the beneficiary was admitted to the SNF for Part A level of care, and relates to the current acute admission i.e., "after care code".</li> </ul>	V57.89 was used for the admitting diagnosis on the charts audited.
Y	<ul style="list-style-type: none"> <li>Evidence of facility following Consolidated Billing Regulations</li> </ul>	
Y	Does coding on MDS ARD and MDS reasons match the UB-04 Occurrence Code 50 dates and modifiers?	
Y	Method or procedure in place to capture and inform vendors of Medicare payment status.	
Y	Facility capturing ancillary charges and in-house medical supply charges.	
Y	Systems to track for Part B caps and process to bill automatic and manual exceptions.	
Y	Procedures in place to submit No-Pay and Exhaust claims as required, including drop in skilled status if applicable.	

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Length of Stay	Comments
<b>Recommendations</b>	
<ul style="list-style-type: none"> <li>The admitting diagnosis should be the medical reason the resident was admitted. Proper sequencing of primary and secondary codes should support the need for therapy level of care. Recommend that the facility contact Net Solutions software to add the admitting diagnosis on the claim, and proper sequencing.</li> </ul>	

Communication with Billing	Comments
Y	Evidence of communication of required information to billing as part of daily and weekly Medicare meetings especially related to OMRA MDS (COT, EOT, EOT-R) to ensure accurate census figures, RUG levels, and pay types.
Y	ICD-9 coding is accurate and communicated to billing; ICD-9 codes removed when resolved.
Y	Monthly Triple Check in place to ensure accurate billing.
Y	MDS Nurse shares Validation Report with Billing.
<b>Recommendations</b>	
<ul style="list-style-type: none"> <li>None.</li> </ul>	

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Lisa Archuleta, Polaris Consultant, will be contacting you to review modules already provided and the remaining visits available to determine future visits. The following modules are available within the current RehabPlus product contract.

### SERVICES AVAILABLE AS PART OF YOUR REHABCARE CONTRACT

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> RUG-IV Training</li> <li><input type="checkbox"/> Return to Hospital Review</li> <li><input type="checkbox"/> Billing Training to MDS 3.0 and RUG-IV</li> <li><input type="checkbox"/> Medicare and MDS 3.0 Accuracy Reviews</li> <li><input type="checkbox"/> Medicare Case Management Review</li> <li><input type="checkbox"/> MDS 3.0 Coding and Interview Training</li> <li><input type="checkbox"/> MDS 3.0 Quality Measures Review</li> <li><input type="checkbox"/> 5 Star Analysis</li> <li><input type="checkbox"/> NY CMI Review</li> <li><input type="checkbox"/> TX CMI Review</li> <li><input type="checkbox"/> PA CMI Review</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Medicare Billing Audit and RAC Readiness Review</li> <li><input type="checkbox"/> Census Development</li> <li><input type="checkbox"/> Ancillary Cost Management</li> <li><input type="checkbox"/> Quality Improvement (QAPI) Training</li> <li><input type="checkbox"/> CAAs and Care Plan Review</li> <li><input type="checkbox"/> Clinical Survey Snapshot</li> <li><input type="checkbox"/> Medicare Business Office Snapshot</li> <li><input type="checkbox"/> Nursing Documentation to Support Medical Necessity</li> <li><input type="checkbox"/> Part B Utilization and Nursing Restorative Program</li> <li><input type="checkbox"/> ADL Review and Training</li> </ul> |
|---|--|

In addition to the services currently provided within the RehabPlus contract, the following Polaris Group services are available by separate Letter of Agreement:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> RUG-IV Training for Medicare Team</li> <li><input type="checkbox"/> RUG-IV Training for Billing Staff</li> <li><input type="checkbox"/> MDS Analyzer and Risk Management Reports – Apollo RM</li> <li><input type="checkbox"/> Comprehensive Medicare Revenue Management Review</li> <li><input type="checkbox"/> Medicare Billing Services</li> <li><input type="checkbox"/> Risk Management</li> <li><input type="checkbox"/> Billing Training including “A Guide to Medicare Billing” Manual</li> <li><input type="checkbox"/> New DON and MDS Nurse Orientation</li> </ul> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Key Indicator Trends (KIT reports)</li> <li><input type="checkbox"/> Supervisory Skill Training and Team Building, designed to decrease turnover Live Webinar Trainings</li> <li><input type="checkbox"/> Medicare ADR/Denials and Pre/Post Payment Review Support</li> <li><input type="checkbox"/> OBRA Mock Pre-Survey (to assist with preparation for annual state survey process)</li> <li><input type="checkbox"/> Cost Reports</li> <li><input type="checkbox"/> Corporate Compliance</li> </ul> |
|--|---|