CMS, Medicare Administrative Contractor, and Recovery Auditor Activity Updates

July 2013
**CMS Updates**

**Medicare Administrative Contractor Satisfaction Indicator (MSI)**

CMS is providing a new tool, the Medicare Administrative Contractor Satisfaction Indicator (MSI), to “measure the level of satisfaction providers and suppliers experience with their Medicare Administrative Contractors (MACs).” According to CMS, the MSI “allows providers the opportunity to influence CMS' understanding of Medicare contractor performance. The goal of the MSI is to evaluate these experiences and determine the key drivers of customer satisfaction. In addition, CMS will use the results of the MSI to monitor trends, improve oversight and increase the efficiency of the Medicare program.”

Registration to participate in the MSI opened on July 8, 2013 and will only be available for a limited time. However, registering for the MSI does not guarantee the ability to participate. Once registered, if you are chosen in the random sample selection, you can rate your satisfaction with your MAC.

For more information, and a link to the registration form: [http://www.cms.gov/Medicare/Medicare-Contracting/MSI/](http://www.cms.gov/Medicare/Medicare-Contracting/MSI/)

**Formation of New Integrity Contractor: Unified Program Integrity Contractor (UPIC)**

According to a July 29, 2013 article posted on RacMonitor.com, the Centers for Medicare & Medicaid Services (CMS) is reportedly developing a new integrity contractor called a Unified Program Integrity Contractor (UPIC). Zone Program Integrity Contractors and the Medicare Administrative Contractors (MACs) will be folded into the UPICs. MACs will still process Medicare claims; however, their integrity responsibilities will be transferred to the UPICs. UPICs will focus on both Medicare and Medicaid integrity issues. As such, Medicaid Integrity Contractors will likely be phased out while Recovery Auditors will remain. At this time, there is no word on when this transition will occur and CMS has yet to publish an official statement with regard to the UPIC.

**Nation-wide Delay in Processing for the Part A to Part B Rebilling Claims**

After a few contractors, such as NHIC and FCSO, began reporting delays in the processing for the Part A to Part B rebilling claims due to a Fiscal Intermediary Standard System (FISS) issue, EHR has verified that this delay applies to all Medicare Administrative Contractors (MACS). It is anticipated that the correction to the FISS and the processing of any held claims will begin on August 5, 2013.
Medicare Administrative Contractor Updates

Cahaba Government Benefit Administrators

Current Prepayment Medical Review Log for Part A*:

- DRG 069 (Transient Ischemia)
- DRG 189 (Pulmonary Edema and Respiratory Failure)
- DRGs 190, 191, 192 (COPD)
- DRGs 226, 227 (Cardiac Defibrillator Implant without Cardiac Catheterization)
- DRG 235 (Coronary Bypass without Cardiac Catheterization with MCC)
- DRGs 242, 243, 244 (Permanent Cardiac Pacemaker Implant)
- DRG 245 (Automatic Implantable Cardioverter-Defibrillator (AICD) Generator Procedures)
- DRG 247 (Percutaneous Cardiovascular Procedure)
- DRG 249 (Percutaneous Cardiovascular Procedure w/Non Drug Eluting Stent)
- DRG 251 (Percutaneous Cardiovascular Procedure w/o Coronary Artery Stent)
- DRG 287 (Circulatory Disorders Except Acute Myocardial Infarction w/o MCC)
- DRG 312 (Syncope and Collapse)
- DRG 313 (Chest Pain)
- DRG 392 (Esophagitis)
- DRG 460 (Spinal Fusion)
- DRG 470 (Total Knee Replacement)
- DRG 552 (Medical Back Problems)
- DRG 641 (Nutritional and Miscellaneous Metabolic Disorders without MCC)
- DRG 714 (Transurethral Prostatectomy without CC/MCC)
- DRGs 981, 982, 983 (Extensive or Procedure Unrelated to Primary Diagnosis)
- Inpatient Rehabilitation Facility A0801-A0803 and A2001-A2004
- CMG’s A0701, A0702, and A0703 (Fracture of Lower Extremity) no Comorbidities

*Cahaba GBA last updated this list on February 26, 2013. This is not an exhaustive list; the complete list can be found at http://www.cahabagba.com/part-a/medical-review/j10-ab-mac-prepayment-medical-review-log-part-a/.

Cahaba GBA website: https://www.cahabagba.com/part-a/
CGS

CGS’ July 2013 Part A Audit Announcements:

Service Specific Probe Review for Respiratory Infections and Inflammations, DRG 177 – 179 (July 26, 2013):
The J15 Part A Medical Review department will perform a service-specific probe review on Respiratory Infections and Inflammations. A service-specific probe edit for type of bill (TOB) 11X, DRG 177 - 179, will be implemented in Kentucky and Ohio.

The J15 Part A Medical Review department will perform a service-specific inpatient probe review on red blood cell disorders, DRG 811 - 812, Type of Bill (TOB) 11X, in Kentucky and Ohio. We will review approximately 100 claims per state as part of this probe review.

CGS’ July 2013 Part A Audit Results:

<table>
<thead>
<tr>
<th>Type of Audit</th>
<th>DRG #</th>
<th>DRG Description</th>
<th># of Claims Reviewed</th>
<th># of Claims Denied</th>
<th>Charge Denial Rate</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service-Specific Complex Review</td>
<td>302, 303 and 313</td>
<td>Chest Pain and Atherosclerosis</td>
<td>73</td>
<td>66</td>
<td>89.1%</td>
<td>This edit will continue.</td>
</tr>
<tr>
<td>(Kentucky)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service-Specific Complex Review</td>
<td>302, 303 and 313</td>
<td>Chest Pain and Atherosclerosis</td>
<td>178</td>
<td>171</td>
<td>95.8%</td>
<td>This edit will continue.</td>
</tr>
<tr>
<td>(Ohio)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CGS Website: [http://www.cgsmedicare.com/parta/index.html](http://www.cgsmedicare.com/parta/index.html)
Improper payments and inpatient prepayment medical review – Update (last modified May 1, 2013):
As the Medicare administrative contractor (MAC) for jurisdiction 9 (J9), First Coast Service Options Inc. (First Coast) is committed to assisting the Centers for Medicare & Medicaid Services (CMS) in reaching the goal of reducing the national Medicare fee-for-service (FFS) paid claims error rate. First Coast’s prepayment medical review schedule is described below.

MS-DRGs 153, 328, 357, 455, 473, and 517 are subject to prepayment medical review effective March 21, 2012 (in addition to MS-DRGs 226, 227, 242, 243, 244, 245, 247, 251, 253, 264, 287, 313, 392, 458, 460, 470, 490, 552, 641 that were already subject to prepayment review). MS-DRGs with a one-day length of stay (LOS) are subject to prepayment medical review effective April 11, 2012. MS-DRGs 069 and 254 were added to prepayment review effective November 16, 2012 (prepayment for MS-DRG 069 was stopped January 10, 2013, due to implementation of prepayment by the Recover Auditor (formerly RAC). MS-DRG 292 was added to prepayment review effective May 1, 2013.

First Coast has identified certain hospitals who have sustained low error rates for certain DRGs. Beginning July 17, 2012, these hospitals are excluded from prepayment editing for the specific DRGs for which a low rate is maintained.

The MAC J9 CERT payment error findings are included for claims sampled in the November 2010 and November 2011 report periods. Denial information is also provided for those services previously subject to First Coast medical review activities. First Coast will provide information regarding prepayment review error rates through future articles and other education and outreach forums. Notice will also be provided for future changes to prepayment review activities (e.g., increase in percentage of review). The percentage of prepayment review is based on the average of DRG receipts received in the Fiscal Intermediary Standard System (FISS).

This initiative is applicable to hospitals and physicians in Medicare administrative contractor (MAC) jurisdiction 9 (J9), excluding those in Puerto Rico and the U.S. Virgin Islands.

FCSO website: http://medicare.fcso.com/

National Government Services

No new contractor specific information at this time.

No new contractor specific information at this time.

NHIC, Corp. website: https://www.medicarenhic.com/pa/parta_index.asp

**Noridian Healthcare Solutions**

These service-specific prepayment reviews are currently in effect:

- DRG 287 - Circulatory disorders except AMI, w/ card cath w/o MCC*
- DRG 245 - AICD lead & generator procedures
- DRG 293 - Heart failure & shock w/CC/MCC
- DRG 264 - Other circulatory system O.R. procedures
- DRG 308-310 - Cardiac arrhythmia & conduction disorders w/ MCC, w CC, and w/o CC/MCC
- DRG 714 - Transurethral prostatectomy w/o CC/MCC
- DRG 247 - Percutaneous cardiovascular procedure w drug-eluting stent w/o MCC
- DRG 470 - Major joint replacement or reattachment of lower extremity w/o MCC
- DRG 490-491 - Back & neck proc exc spinal fusion w CC/MCC or disc device/neurostim and w/o CC/MCC
- One day stays

*On July 8, 2013, this targeted review was expanded to Washington, Alaska, Idaho, and Oregon. On May 31, 2013, DRG 287 was introduced as an audit target in Arizona, Montana, North Dakota, South Dakota, Utah, and Wyoming.

These service-specific prepayment reviews are state specific. The list of affected states, along with interim findings can be found at https://www.noridianmedicare.com/parta/coverage/service_specific_review.html#ipps.

Noridian Healthcare Solutions: https://www.noridianmedicare.com/parta/
Novitas Solutions, Inc.

Novitas’ Service Wide (Widespread) Edits (Jurisdiction H):

- **DRG 227**: Cardiac Defibrillator Implant without cardiac cath without Major Complication/Co morbidity (MCC) with length of stay < 3 days
- **DRG 243**: Permanent Cardiac Pacemaker Implant with CC (Complications/Comorbidity) with length of stay < 3 days
- **DRG 244**: Permanent Cardiac Pacemaker Implant without Complications/Comorbidity (CC) / Major Complication/Co morbidity (MCC) with length of stay < 3 days
- **DRG 251**: Percutaneous Cardiovascular Procedure without Coronary Artery Stent without Major Complication/Comorbidity (MCC) with length of stay < 3 days
- **DRG 287**: Circulatory Disorders except AMI with Cardiac Cath without Major Complication/Comorbidity (MCC) with length of stay < 3 days
- **DRG 470**: Major joint replacement or reattachment of lower extremity without MCC with length of stay < 3 days
- **DRG 673**: Other Kidney and Urinary Tract Procedures with Major Complication/Comorbidity (MCC) with length of stay < 3 days
- **DRG 714**: Transurethral Prostatectomy without Complication/Comorbidity(CC) / Major Complication/Comorbidity (MCC) with length of stay < 3 days

Novitas’ Service Wide (Widespread) Edits (Jurisdiction 12):

- **DRG 227**: Cardiac Defibrillator Implant without cardiac cath without Major Complication/Co morbidity (MCC) with length of stay < 3 days
- **DRG 243**: Permanent Cardiac Pacemaker Implant with CC (Complications/Comorbidity) with length of stay < 3 days
- **DRG 244**: Permanent Cardiac Pacemaker Implant without Complications/Comorbidity (CC) / Major Complication/Co morbidity (MCC) with length of stay < 3 days
- **DRG 292**: Heart Failure and Shock with CC with length of stay < 3 days
- **DRG 313**: Chest Pain with length of stay < 3 days
- **DRG 392**: Esophagitis, Gastroenteritis and Miscellaneous Digestive D/O w/o MCC with length of stay < 3 days
- **DRG 470**: Major joint replacement or reattachment of lower extremity without MCC with length of stay < 3 days
- **Medical back problems with MCC with length of stay < 3 days**
- **Medical back problems without MCC with length of stay < 3 days**
- **Transurethral prostatectomy without CC/MCC with length of stay < 3 days**
Novitas’s July 2013 Part A Audit Results:

<table>
<thead>
<tr>
<th>Type of Audit</th>
<th>DRG #</th>
<th>DRG Description</th>
<th># of Claims Reviewed</th>
<th># of Claims Denied</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Pay Probe</td>
<td>491</td>
<td>Back and Neck Procedures, Except Spinal Fusion without complications/comorbidty (CC)/major complication comorbidity (MCC): Length of Stay less than 4 days</td>
<td>49</td>
<td>24</td>
<td>Novitas will continue to conduct data analysis.</td>
</tr>
</tbody>
</table>

Palmetto Government Benefit Administrators

Palmetto GBA’s J11 July 2013 Part A Audit Announcements:

The Palmetto GBA J11 Part A Medical Review Department will be performing a prepayment service specific probe review on inpatient short stays for DRG 291, Heart Failure and Shock with Major Complication or Comorbidity (MCC); DRG 292, Heart Failure and Shock with Complication or Comorbidity (CC); and DRG 293, Heart Failure and Shock without CC/MCC.

This probe is based on data analysis that indicates that short stays for DRG 291, DRG 292 and DRG 293 are identified as target areas in the FATHOM Report. Additional analysis prioritizing areas of risk in J11 identifies DRG 291 as a major risk and DRG 292 and DRG 293 as moderate risks. For DRG 291 and DRG 292, a sample of 100 claims will be selected for each DRG, from North Carolina, South Carolina, and Virginia/West Virginia. For DRG 293, a sample of 100 claims will be selected from North Carolina, South Carolina, Virginia and West Virginia combined.

Palmetto GBA’s J1 July 2013 Part A Audit Results:

<table>
<thead>
<tr>
<th>Type of Audit</th>
<th>DRG #</th>
<th>DRG Description</th>
<th># of Claims Reviewed</th>
<th># of Claims Denied</th>
<th>Charge Denial Rate</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayment Service Specific Complex Medical Review (J1)</td>
<td>641</td>
<td>One day stays for DRG Code 641: Miscellaneous Disorders of Nutrition, Metabolism, Fluids/Electrolytes without Major Complication or Comorbidity for Inpatient Services</td>
<td>88</td>
<td>77</td>
<td>87%</td>
<td>The edit for DRG code 641 has been discontinued in all J1 regions at this time.</td>
</tr>
</tbody>
</table>

Wisconsin Physician Services (WPS) has indicated a number of service specific (prepay) edits. WPS’ current prepay edits include the following:

- 48 hour Observation – Reason Code: E51#L
- High Dollar Claims – Reason Code: 50BMM
- Inpatient Rehabilitation Facility (IRF) – Reason Code: 50IRF
- Long Term Acute Care Hospital (LTCH) – Reason Code: 5LTCH
- Short Term Acute Care Hospital (STCH) – Reason Code: 5NERV, 50ENT, 5 RESP, 5CIRC, 5DIGS, 5PANC, 5MUSC, 5SKIN, 5GLND, 5KIDN, 5HEAL

The complete list of WPS’ current service specific prepay edits can be found at: http://www.wpsmedicare.com/j5macparta/departments/medical_review/index.shtml#PPE.

Recovery Auditor Updates

The Recovery Auditor Prepayment Review Demonstration began in August 2012. The demonstration is applicable to seven HEAT states (California, Florida, Illinois, Louisiana, Michigan, New York, and Texas) and four states (Missouri, North Carolina, Ohio, and Pennsylvania)

New Approved RAC Issues

Performant Recovery (formerly DCS) – Region A

Performant will be performing the Recovery Auditor Prepayment Review Demonstration in the following states:

- New York
- Pennsylvania

On July 8, 2013, the following issue was approved for audit:

- Inpatient Rehabilitation Facility (IRF) Admission


CGI – Region B

CGI will be performing the Recovery Auditor Prepayment Review Demonstration in the following states:

- Illinois
- Michigan
- Ohio

No new inpatient Part A approved issues at this time.


Connolly – Region C

Connolly will be performing the Recovery Auditor Prepayment Review Demonstration in the following states:

- Florida
- Louisiana
- Texas
• North Carolina

No new inpatient Part A approved issues at this time.


HDI – Region D

HDI will be performing the Recovery Auditor Prepayment Review Demonstration in the following states:

• California
• Missouri

No new inpatient Part A approved issues at this time.

HDI website: https://racinfo.healthdatainsights.com/Public1/NewIssues.aspx