

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1919</b>	<b>Date: September 15, 2017</b>
	<b>Change Request 10249</b>

**SUBJECT: Targeted Probe and Educate**

**I. SUMMARY OF CHANGES:** The CMS is expanding the existing Targeted Probe and Educate (TPE) Pilot to include all MACs. The purpose of this expansion is to reduce appeals, decrease provider burden, and improve the medical review/education process.

**EFFECTIVE DATE: October 1 2017**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: October 1, 2017 - To be implemented no later than 10/01/2017**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One Time Notification**

# Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1919	Date: September 15, 2017	Change Request: 10249
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**SUBJECT: Targeted Probe and Educate**

**EFFECTIVE DATE: October 1, 2017**

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**IMPLEMENTATION DATE: October 1, 2017 - To be implemented no later than October 1, 2017**

## **I. GENERAL INFORMATION**

**A. Background:** The 2014-2015 Medicare Administrative Contractor (MAC) Probe & Educate medical review strategy for hospital inpatient status cases produced favorable outcomes with respect to educating providers/suppliers and reducing improper payments. The Probe & Educate strategy is also being employed for Home Health, which has received similar appreciation from providers and MACs. Targeted Probe & Educate (TPE) expanded on that concept by allowing the MACs to select their review topics, based upon their own strategies. The size of the probe and the way education is provided have also been modified to improve effectiveness. CMS has seen very positive results from a currently running pilot for this program as well as modifications to existing programs as a result of lessons learned. CMS believes that this strategy will continue to demonstrate measurable reductions in the number of claims denied and the number and merit of appeals.

In each of these previous Probe & Educate strategies, CMS – not the MAC – chose the topic for review. In addition, each involved the MAC reviewing EVERY PROVIDER who billed the chosen topic. Targeted Probe & Educate allows the MAC to identify the targets.

The CMS has seen positive results during pilot testing utilizing this strategy, the key elements of which include:

- Replace all current medical record reviews in the MAC's Improper Payment Reduction Strategy (IPRS) with up to three rounds of a pre-payment Targeted Probe & Educate process. This strategy will be for the medical review process in each MAC jurisdiction. This instruction excludes any reviews or pilots that are otherwise mandated by CMS.
- If high denial rates continue after three rounds, the MAC shall refer to CMS for additional action, which may include extrapolation, referral to the Zone Program Integrity Contractor (ZPIC) or Unified Program Integrity Contractor (UPIC), referral to the RAC, 100% pre-pay review, etc. (See diagram, Attachment A)
- The MAC, rather than CMS, will select the topics for review (based on existing data analysis procedures)
- The MAC can target the strategy on the providers most likely to be submitting non-compliant claims, rather than reviewing 100% of the providers
- Limit the sample for each probe "round" to a minimum of twenty (20) and a maximum of forty (40) claims

This strategy is designed based upon the efficiency of a targeted medical review process that includes education with the option for potential elevated action, which may include additional prepay review, extrapolation, referral to the ZPIC/UPIC, referral to the RAC, etc., and to determine its ability to reduce/prevent improper payments and reduce appeals.

**B. Policy:** The MACs shall conduct all medical record review following the TPE strategy. Automated reviews and prior authorization directed by CMS are outside of the TPE strategy.

**NOTE:** Non-responses count as an error when considering a provider's or supplier's error rate. Additionally, a "related claim review," for those services related to a denied claim, would not require using the TPE strategy (e.g., conducting a 20-40 claim probe of provider/supplier claims that are adjunct to a denied service/device) and would be denied in kind.

**II. BUSINESS REQUIREMENTS TABLE**

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared-System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
10249.1	The MAC shall use this change request as direction to conduct targeted medical review and reporting under the Targeted Probe & Educate medical review strategy.	X	X	X	X						
10249.2	The MAC shall use their Improper Payment Reduction Strategy, data analysis, and CMS instruction to determine the targeted items, services, devices, and/or providers.	X	X	X	X						
10249.2.1	Home Health MACs shall phase out round two of the Home Health Probe and Educate Program by the TPE implementation date and include the review of Home Health Agencies in their TPE strategy.			X							
10249.3	The MAC shall create a notification letter that will be sent to providers/suppliers being targeted for review that will:  1. outline the targeted probe & educate process, and  2. notify providers/suppliers that MACs shall have the option to refer providers/suppliers to the RAC or ZPIC/UPIC as a result of non-response to ADRs.	X	X	X	X						
10249.3.1	The MAC shall provide a copy of this letter to CMS for review and approval prior to sending to providers/suppliers. Copies shall be sent via email to Heather Wetherson and/or Dr. Scott H. Lawrence (see contact information below)	X	X	X	X						
10249.3.1.1	The CMS shall provide a template for the notification letter for consistency (attached to this CR as attachment A).										CMS
10249.4	The MAC shall phase out all medical record reviews, including all service-specific reviews, other than reviews conducted as part of the Targeted Probe & Educate program, or as otherwise directed by CMS.	X	X	X	X						
10249.5	The MAC shall complete their pending workload (i.e., where ADRs have already been sent) that is being	X	X	X	X						

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
	phased out as a result of the implementation of the Targeted Probe & Educate program.										
10249.6	The MAC shall perform pre or post-payment provider-specific/supplier-specific review on a minimum of 20 and a maximum of 40 claims per round per provider/supplier, with a letter detailing the review results sent to the provider/supplier at the conclusion of the round.  <b>NOTE:</b> Also, probe samples of less than 20 may be deemed appropriate on a case-by-case basis, with approval by CMS.	X	X	X	X						
10249.7	The MAC shall note that TPE does not apply to automated review or prior authorizations (as directed by CMS).  <b>NOTE:</b> CMS is not directing the MAC to change any automated reviews.	X	X	X	X						
10249.8	The MAC shall perform Targeted Probe & Educate activities for up to 3 rounds, using only those items, services, and/or devices that are dated after the previous 1:1 education intervention (defined below under BR10249.8.2), allowing 45 - 56 days between each education intervention and the next round for the provider/supplier to improve.	X	X	X	X						
10249.8.1	The MAC shall discontinue the process if/when the provider/supplier becomes compliant.	X	X	X	X						
10249.8.1 .1	The MAC shall monitor through data analysis the providers/suppliers who have been discontinued from the TPE strategy and had identified risk during their probe rounds.	X	X	X	X						
10249.8.1 .1.1	The MAC shall conduct follow up review in approximately one year when data analysis indicates that possible risk behaviors may be suspected.	X	X	X	X						
10249.8.1 .2	The MAC shall have the discretion to define provider/supplier compliance, which may vary based on the item/service reviewed.	X	X	X	X						
10249.8.2	For the purpose of this program, “1:1 educational intervention” shall be defined as face-to-face, teleconference calls, electronic visits using webinar technology, or other similar technologies as they become available that enable direct communication between the MAC educator and the provider/supplier. Additional education methods will be determined by the MAC and include, but are not limited to, letters, teleconference calls, electronic visits using webinar technology and/or provider/supplier report cards.	X	X	X	X						

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
	<b>NOTE:</b> It is the intent of the education that the focus will be on improving specific issues without allowing other problems to develop and provide opportunities for the provider/supplier to be able to have questions answered.										
10249.9	The MAC shall refer providers/suppliers with continued high denial rates after 3 rounds of Targeted Probe & Educate to CMS for additional action (non-responses to ADRs count as an error when considering a provider's/supplier's error rate).	X	X	X	X						
10249.9.1	The MAC shall not conduct more than three rounds of TPE review.	X	X	X	X						
10249.9.2	The MACs shall send to CMS POCs listed below, information regarding any provider/supplier who is within Round 3 and who will not likely improve sufficiently during the round to be discontinued from review in anticipation of referral for further action.  CMS POCs: Contracting Officer Representative (COR), Heather Wetherson, Dr. Scott H. Lawrence, and your CMS Business Function Lead (BFL) from the Division of Medical Review and Education (DMRE) out of the Provider Compliance Group (PCG) of CMS.	X	X	X	X						
10249.9.2.1	The MAC shall provide CMS with any information that it feels is pertinent to the case to aid in decision making upon referral.	X	X	X	X						
10249.10	Reporting:  The MAC shall submit monthly evaluation metrics reports into CMS ART on or before the 20th of the month as outlined in Attachment B.	X	X	X	X						
10249.11	Reporting:  The MAC shall submit quarterly reports defining the average number of medical records claims reviewed per month, the average number of medical records claims denied per month, and the average number of medical records appeal requests across all claims and targeted probe and educate claims, listing the items, services and/or devices (see Attachment C for an example format).	X	X	X	X						
10249.11.1	The MAC shall submit the quarterly report into CMS ART and to the Contracting Officer Representative (COR), Heather Wetherson, Dr. Scott H. Lawrence, and your CMS/PCG/DMRE Business Function Lead	X	X	X	X						

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
	(BFL) on or before the 20th of the month after the end of each quarter.										
10249.12	<p>Reporting:</p> <p>The MAC shall submit a list of Probe &amp; Educate claims reviewed, by the 20th day of each month, which shall include all decisions rendered (paid, denied, partial pay, etc), service type, provider/supplier NPI/billing provider number, and the claim’s internal control number (ICN) or document control number (DCN). The list of claims shall be from the prior month.</p> <p><b>NOTE:</b> This list shall be sent the contacts listed in BR 10249.11.1.</p>	X	X	X	X						
10249.12.1	The CMS shall notify the MAC, via email, of the claims selected for review within 10 business days. The claims selected shall be sent within 5 business days, via password protected CD, to the points of contact identified by CMS in the email request.	X	X	X	X						
10249.13	The MAC shall adjust their improper payment review strategy and medical review workloads as necessary to accommodate this change request, as no additional funding will be provided.	X	X	X	X						
10249.14	The MAC shall describe any necessary workload changes in detail, including the rationale for these changes, to their COR and Medical Review BFL.	X	X	X	X						
10249.15	<p>After each round of 20-40 claim reviews, the MAC shall conduct a 1:1 educational intervention with the provider/supplier that reinforces compliant parameters and reiterates issues identified in the round, to avoid any shifts from the non-compliant factors.</p> <p><b>NOTE:</b> For the purpose of this program, “1:1 educational intervention” shall be defined as face-to-face, teleconference calls, electronic visits using webinar technology, or other similar technologies as they become available that enable direct communication between the MAC educator and the provider/supplier. Additional education methods will be determined by the MAC and include, but are not limited to, letters, teleconference calls, electronic visits using webinar technology and/or provider/supplier report cards. It is the intent of the education that the focus will be on improving specific issues without allowing other problems to develop.</p>	X	X	X	X						

Number	Requirement	Responsibility									
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers				Other	
		A	B			F I S S	M C S	V M S	C W F		
10249.15.1	The MACs shall conduct 1:1, intra-probe educational intervention when easily curable errors are identified, even if the probe round is not completed.	X	X	X	X						
10249.15.1.1	The MACs shall request and accept new documentation from providers/suppliers when easily curable errors are identified at any time during the current round of probe reviews.	X	X	X	X						

**III. PROVIDER EDUCATION TABLE**

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	C E D I	C E D I	I		
		A	B	H H H						
	None									

**IV. SUPPORTING INFORMATION**

**Section A: Recommendations and supporting information associated with listed requirements: N/A**  
*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: All other recommendations and supporting information: N/A**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Dr. Scott H. Lawrence, 410-786-4313 or Scott.Lawrence1@cms.hhs.gov, Heather Wetherson, 410-786-5657 or heather.wetherson@cms.hhs.gov.

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

**VI. FUNDING**

**Section A: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 3**

Attachment A  
Example TPE Probe Letter on the Following Page

MAC Header Here

PROVIDER NAME  
PROVIDER ADDRESS  
CITY ST ZIP

Mail Date (ex. December 14, 2014)

Case Number: Case #  
Provider NPI Number: Provider NPI

RE: Notice of Review - Targeted Probe and Education

Dear Medicare (Provider or Supplier)

[Background explanation section]

The following elements must be included:

- Explanation of the MAC's responsibility (explaining that the MAC has been contractually obligated to utilize the TPE format)
- Explanation of what the TPE process entails (explaining that the process involves up to 3 rounds of probe & educate, and the potential referral for further action, including some descriptions of possible actions, for 3 failed rounds, as well as describing that the process can be discontinued for providers/suppliers who are doing well)
- Explanation of why they are receiving the letter (explaining why they are being targeted/included in the TPE probe)

[General explanation of ADRs]

[Explanation of Education]

The following elements must be included:

- Explanation that they will be offered 1:1 education and what options for this education are available to the provider/supplier, both intra-probe and post-probe
- Explanation that the provider/supplier will be able to ask questions during the 1:1 education
- Explanation that they will learn what errors have been specifically identified in their case
- Explanation that there will be post-probe education/feedback

[Close]

MAC Footer May Be Included Here

MAC Header Here

**EXAMPLE LETTER**

PROVIDER NAME  
PROVIDER ADDRESS  
CITY ST ZIP

Mail Date (ex. December 14, 2014)

Case Number: Case #  
Provider NPI Number: Provider NPI

**RE: Notice of Review - Targeted Probe and Education**

Dear Medicare Provider or Supplier

In order to fulfill our contractual obligation with the Centers for Medicare & Medicaid Services (CMS), <Select>, your Jurisdiction <Select> Medicare Administrative Contractor (MAC), performs reviews in accordance with the CMS instruction. CMS has authorized Jurisdiction <Select> to conduct the Targeted Probe and Educate (TPE) Pilot review process. The TPE review process includes three rounds of a prepayment probe review with education. If there are continued high denials after three rounds, <Select> will refer the provider/supplier to CMS for additional action, which may include 100% prepay review, extrapolation, referral to a Recovery Auditor, etc. Note, discontinuation of review may occur at any time if appropriate improvement is achieved during the review process.

This letter serves as notification of the TPE process and to notify you of the initiation of the review. The purpose of the claim review is to ensure documentation supports the reasonable and necessary criteria of the services billed and follows Medicare rules and regulations.

**Reason of Review**

Your facility was selected for review based on <Select>. A prepayment review has been initiated to probe a sample of your claims billed with the following <Select> code(s):

- Procedure Code/HCPCS Code - Short Description

The previous medical review resulted in an error rate of XX%. A small sample of randomly selected claims are chosen to determine if a provider is billing and coding according to Medicare guidelines and to ensure services are reasonable and medically necessary.

**Additional Documentation Requests**

MAC Footer May Be Included Here

MAC Header Here

Please do not send any documentation at this time. Your facility will be notified with an Additional Documentation Request (ADR) letter on each claim selected for review. This letter will include a list of specific elements needed to support the service on review. Please ensure the process for routing these documents to the person(s) responsible for submission is timely and effective. Inform your staff responsible for receiving the ADR letters and submitting the required documentation for this review. Authorization for the release of this information is included in Federal Law regulations reference 42 CFR 411.24(a), 424.5(a)(6) and 44 USC 3101.

If the requested documentation is not returned within 45 days, the claim will be denied due to lack of documentation which will contribute to your error rate. It is your responsibility as a provider to provide the requested documentation within the allotted time frame. Additionally, if providers/suppliers do not respond to the ADR request, MACs have the option to refer to the RAC or ZPIC/UPIC as a result. <Select> will review your claim within 30 days. After all claims selected for the probe are reviewed, you will receive a letter that includes specific findings of our review.

#### **Education**

Upon completion of the claim sample, the nurse reviewer will contact you to schedule a 1:1 educational session regarding any errors noted during the claim review. <Select> offers webinars, which are web-based presentations using internet technology. If your office does not have internet capabilities, a traditional teleconference will be offered. We can offer other methods of direct communication if these methods are not convenient. Medical Review will also provide you written notification at the end of the review to include your results. This letter will include the number of claims reviewed, the number of claims allowed in full, the number of claims denied in full or in part and limited education on the results.

#### **In Closing**

Thank you for your participation with this review. Please email <Email for contact person(s)> referencing the case number above upon receipt of this letter to provide the name of a contact person, if not already communicated, or with any questions regarding the information in this letter.

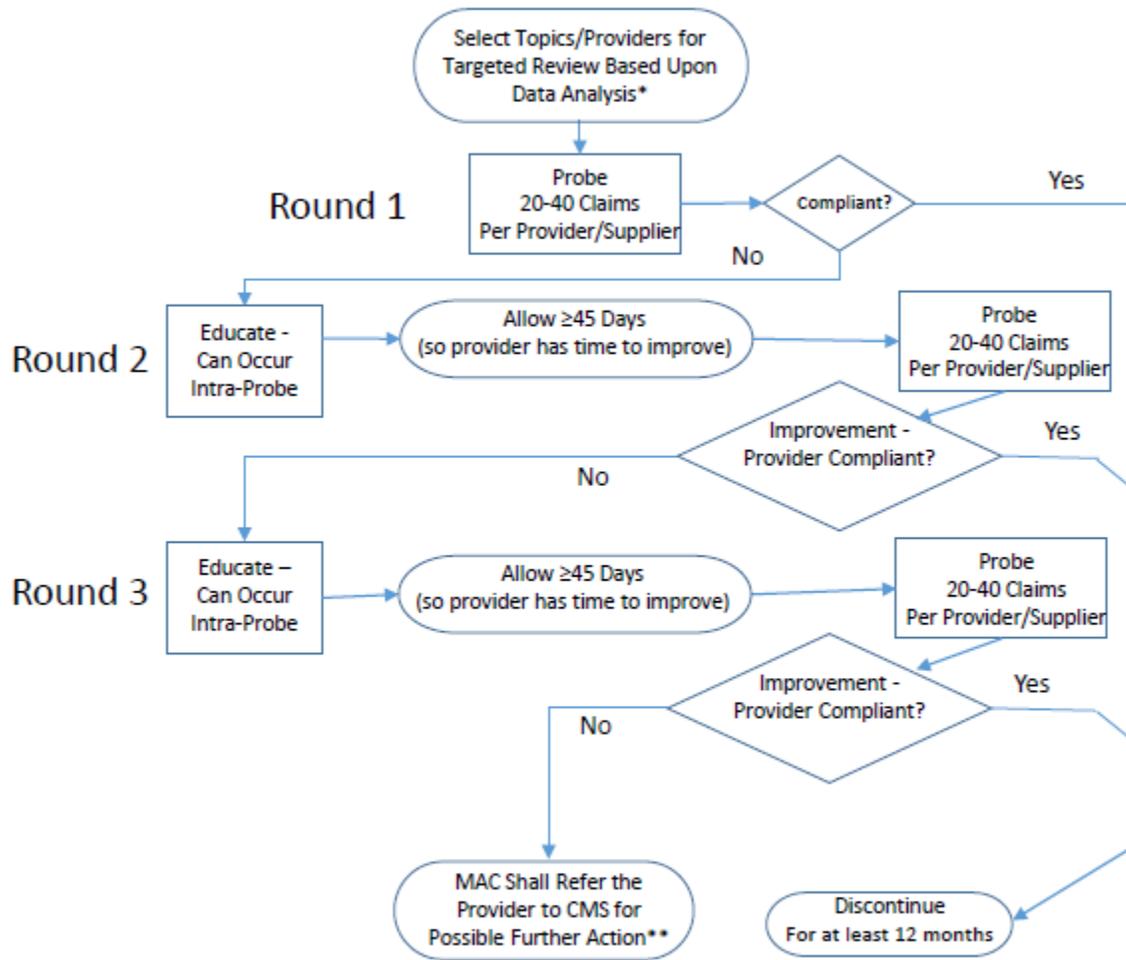
Sincerely,

<Select> MAC Jurisdiction <Select> Medical Review

cc: <CMD and Titles>  
Contractor Medical Director  
enc: TPE Process Flowchart  
Dear Ordering/Referring Physician Letter  
Comprehensive Error Rate Testing (CERT)

MAC Footer May Be Included Here

## Targeted Probe & Educate



\*Data Analysis definition per [PUB 100-08.52.2](#)

\*\*Further Action May Include Extrapolation, Referral To ZPIC/UPIC, etc.

MAC Header Here

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