



**Medicare and Medicaid Reviews, Audits, and Investigations:
A Primer for Physicians and Other Health Care Professionals**

Presentation



Learning Objectives

At the conclusion of this presentation, the learner will be able to:

- Define "program integrity"
- Differentiate between a review, audit, and investigation
- Describe the entities doing program integrity work
- Explain what goes on before, during, and after a program integrity project
- Illustrate possible outcomes and potential results
- Describe how to prepare
- List sources of help, guidance, and referral

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What Is Program Integrity?

Encompasses the various efforts to:

- Improve stewardship
- Reduce fraud, waste, abuse, and improper payments
- Pay claims correctly
 - Covered services
 - Correctly coded
 - Eligible beneficiaries
 - Legitimate providers



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Reviews, Audits, and Investigations Similarities and Differences

A Venn diagram with three overlapping circles. The top circle is blue and labeled 'INVESTIGATIONS'. The bottom-left circle is green and labeled 'REVIEWS'. The bottom-right circle is red and labeled 'AUDITS'. The central area where all three circles overlap is black and labeled 'SIMILARITIES'. A white target symbol is centered in the 'SIMILARITIES' area.

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Reviews, Audits, and Investigations Similarities

Health care reviews, audits, and investigations:

- Strengthen program integrity
- Reduce mistakes and costs
- Improve quality of care
- Benefit the entire supply chain

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Health Care Reviews and Audits Similarities

In the typical review or audit of physicians or other health care professionals:

- Claims are reviewed
- Providers are identified and notified
- Documents are examined
- Issues are discussed
- Results are delivered, reviewed, and commented on
- Improper payments are addressed
- An appeal of overpayment collections may ensue
- Fraud must be referred for investigation

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Health Care Reviews and Audits Differences

Reviews:

- More flexible
- Broader range
- Cannot state whether subject matter or information is materially correct
- Limited to negative assurance

Audits:

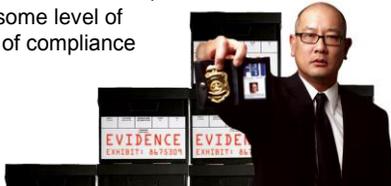
- Are methodical inspections
- Follow specific standards
- Give positive assurance

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7

Investigations

- Not conducted by auditors
- Generally involve law enforcement entities
- Assess whether noncompliance occurred, often “beyond a reasonable doubt,” as opposed to some level of “assurance” of compliance



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8

Investigations—Continued

- Support civil or criminal enforcement
- Individual violation can lead to conviction
- Collect physical evidence



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9

Program Integrity Reviews and Audits

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10

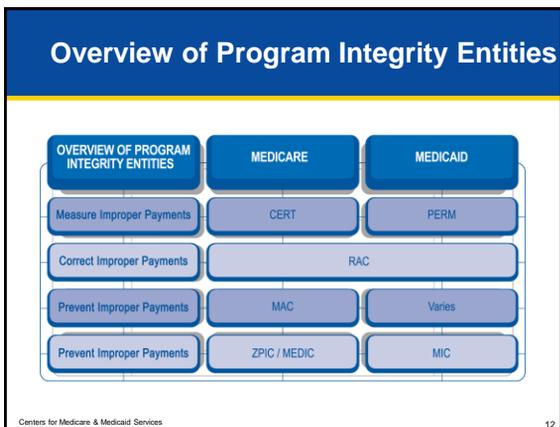
Objectives of Program Integrity Reviews and Audits

Program integrity reviews and audits have four general objectives:

- 1 **Measure** improper payments
- 2 **Correct** improper payments (overpayments and underpayments)
- 3 **Prevent** future improper payments and educate physicians and other health care professionals
- 4 **Strengthen** program integrity by detecting and eliminating fraud, waste, and abuse

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12

Factors That May Help Shape Scope of Program Integrity Review/Audit

- Risk analysis
- Data analysis
- New information system edits and audits
- Expanded enrollment
- Stakeholder interest
- Tips

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13

Typical Program Integrity Review/Audit Procedures

- Claims are sampled
- Documents are requested
- Claims and documentation are assessed against review criteria



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Program Integrity Review/Audit Outcomes

- Overpayment rates or amounts, if any, are asserted
- Provider responds to assertions
- Final written report delivered to the auditee



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15

After a Program Integrity Review/Audit

After the review/audit:

- Recoup overpayments
- Track issues for potential follow-up
- Provide publicity and education, as appropriate
- Initiate corrective actions, as needed
- Pursue sanctions, as needed
- Refer to authorities, as needed

Preparing for a Review or Audit

- Do not wait for notification of the review or audit
- Have a team that understands and can appropriately respond to the review or audit process

"Failure to prepare is preparing to fail."



If You Are Reviewed or Audited

1. Submit records that are:
 - a. Timely
 - b. Complete
 - c. In the order requested
2. Make staff, policies, procedures, and documentation available
3. Correct known problems when discovered and document the effort
4. Designate a single point-of-contact

Questions to Ask

When notified of a review or audit, areas you may want to explore include:

- Selection and standards
- Project type, scope, and timelines
- Record submission and return
- Point(s) of contact
- Testing of claims
- Appeals and corrective actions



Document, Document, Document

- Strengthens business practice
- Improves audit process and results
- Good documentation has general characteristics
- Explanation of Benefits (EOB) forms provide verification



Conducting a Self-Audit Key Steps

- Risk assessment
- Monitoring

Conducting a Self-Audit Risk Assessment

Foundation of compliance and control

- What are the risk areas?
- Which risks are most likely to occur?
- What is the relative impact if the risk does occur?
- What are the priorities?

Conducting a Self-Audit Monitoring

General Questions

1. Which types and how many claims should be reviewed?
2. Which criteria and procedures apply to the review?
3. Where is the documentation?
4. How should the review be documented?
5. What steps should follow the review?

Controlling Risk Monitoring

- No single "right" process
- Start small, if needed
- Sample randomly and regularly
- Use qualified reviewers
- Consider independent peer review



Conducting a Self-Audit
What Should I Look for in Claims Review?

- Coding errors
- Aberrant values or volumes
- Services not rendered or performed
- Medically unnecessary or low quality services
- Double billing, upcoding, unbundling or fragmenting
- Unqualified or excluded staff
- Undocumented or misrepresented services

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Self-Disclosure

Potential Benefits

- Lower damages amounts
- Less legal exposure
- Possible release from permissive exclusion and integrity measures

But, if improper claims are found, overpayments must be returned.

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Assistance and Reporting

For technical assistance contact the:

- State Medicaid agency (SMA)
- MAC
- OIG Industry Guidance Branch

To report potential fraud or material noncompliance contact:

- HHS-OIG
 - Use Self Disclosure Protocol or 1-800-HHS-TIPS, depending on whether the report is a self-disclosure
- SMA
- Medicaid Fraud Control Unit (MCFU)
 - Contact information for SMAs and MFCUs is available at https://www.cms.gov/medicare-medicare-coordination/fraud-prevention/fraudabuseforconsumers/report_fraud_and_suspected_fraud.html on the CMS website

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Conclusion

Today we have:

- Defined “program integrity”
- Differentiated reviews, audits, and investigations
- Described entities doing program integrity work
- Explained what goes on before, during, and after a program integrity project
- Illustrated possible outcomes and potential results
- Described how to prepare
- Listed sources of help, guidance, and referral

Questions



Please direct questions or requests to: MedicaidProviderEducation@cms.hhs.gov

To see the electronic version of this presentation and the other products included in the “Safeguarding Your Medical Identity” Toolkit, visit the Medicaid Program Integrity Education page at <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website.

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