

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-08 Medicare Program Integrity</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 527</b>	<b>Date: July 3, 2014</b>
	<b>Change Request 8690</b>

**SUBJECT: Provider Notice on MAC Web Sites**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to require that Medicare Administrative Contractors (MACs) post review issues to their Web sites. It also requires that the Supplemental Medical Review Contractor (SMRC) maintain a public Web site that displays what types of issues are under review.

**EFFECTIVE DATE: September 5, 2014**

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

**IMPLEMENTATION DATE: September 5, 2014**

*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>
R	3/3.2.2/Provider Notice

**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 obliged 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:**

**Business Requirements  
Manual Instruction**

# Attachment - Business Requirements

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## I. GENERAL INFORMATION

**A. Background:** Providers have requested to know what areas CMS contractors are currently reviewing.

**B. Policy:** The purpose of this change request (CR) is to require MACs and the SMRC to post review topics to their public Web sites.

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H		F	M	V	C		
			M	I	C	M	W				
				A	S	S	S	F			
				C	S						
8690.1	For provider-specific problems, MACs shall consider sending letters to providers informing them of what additional documentation is needed to make a determination on the claim.	X	X	X	X						
8690.2	The MACs shall provide notification prior to beginning a service-specific review by posting a review description on their Web site.	X	X	X	X						
8690.2.1	MACs should, at their discretion, state what additional documentation is needed from providers to make a claim determination on their Web site.	X	X	X	X						
8690.2.2	MACs shall keep the Web site current by posting active reviews.	X	X	X	X						
8690.2.3	MACs should, at their discretion, create an archive for old review topics that are no longer under active review. Active review is defined as the time period during which additional documentation requests (ADRs) are sent, determinations are made and findings are communicated to the providers.	X	X	X	X						
8690.2.4	MACs should categorize the active review topics by provider type.	X	X	X							

Number	Requirement	Responsibility								
		A/B MAC			D M E	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8690.3	The SMRC shall operate/maintain a public Web site that displays what types of issues are under review.									SMRC
8690.3.1	For each area, the SMRC shall include a link to the relevant OIG/GAO or other reports available.									SMRC
8690.4	In addition to the Web site, the SMRC shall notify providers about a service-specific review by sending an ADR.									SMRC
8690.4.1	The SMRC shall state what additional documentation is needed from providers to make a claim determination in the ADR.									SMRC

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	CEDI
		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):** Marissa Malcolm, 410-786-0119 or marissa.malcolm@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: 0**

### 3.2.2 - Provider Notice

*(Rev.527, Issued: 07-03-14, Effective: 09-05-14, Implementation: 09-05-14)*

This section applies to MACs, Recovery Auditors, ZPICs and SMRC as indicated.

Because the CERT contractors select claims on a random basis, they are not required to notify providers of their intention to begin a review.

Providers may submit unsolicited documentation to the MAC when submitting a claim. Providers are to list the PWK 02 Report Transmission Code (PWK (paperwork) modifier) on the claim when submitting this documentation. MACs should inform the providers that they are NOT required to submit unsolicited documentation (and the corresponding PWK modifier) and that the absence or presence of PWK modifier does not mean that their claim will be reviewed. MACs should, at their discretion, consider posting to their website or sending letters to providers informing them of what additional documentation is needed to make a determination on the claim.

#### A. Notice of Provider-Specific Review

When MAC data analysis indicates that a provider-specific potential error exists that cannot be confirmed without requesting and reviewing documentation associated with the claim, the MAC shall review a sample of representative claims. Before deploying significant medical review resources to examine claims identified as potential problems through data analysis, MACs shall take the interim step of selecting a small "probe" sample of generally 20-40 potential problem claims (prepayment or postpayment) to validate the hypothesis that such claims are being billed in error. This ensures that medical review activities are targeted at identified problem areas. The MACs shall ensure that such a sample is large enough to provide confidence in the result, but small enough to limit administrative burden. The CMS encourages the MACs to conduct error validation reviews on a prepayment basis in order to help prevent improper payments. MACs shall select providers for error validation reviews in the following instances, at a minimum:

- The MAC has identified questionable billing practices (e.g., non-covered, incorrectly coded or incorrectly billed services) through data analysis;
- The MAC receives alerts from other MACs, Quality Improvement Organizations (QIOs), CERT, Recovery Auditors, OIG/GAO, or internal/external components that warrant review;
- The MAC receives complaints; or,
- The MAC validates the items bulleted in §3.2.1.

Provider-specific error validation reviews are undertaken when one or a relatively small number of providers seem to be experiencing *similar/recurrent* problems with billing. The MACs shall document their reasons for selecting the provider for the error validation review. In all cases, they shall clearly document the issues noted and cite the applicable law, published national coverage determination, or local coverage determination.

For provider-specific problems, the MAC shall notify providers in writing that a probe sample review is being conducted. MACs *shall* consider sending letters to providers informing them of what additional documentation is needed to make a determination on the claim. MACs have the discretion to use a letter similar to the letters in Exhibit 7 of the PIM when notifying providers of the probe review and requesting documentation. MACs have the discretion to advise providers of the probe sample at the same time that medical documentation or other documentation is requested.

Generally, MACs shall subject a provider to no more than one probe review at any time; however, MACs have the discretion to conduct multiple probes for very large billers as long as they will not constitute undue administrative burden.

## MACs

The MACs shall notify selected providers prior to beginning a provider-specific review by sending an individual written notice. MACs shall indicate whether the review will occur on a prepayment or postpayment basis. This notification may be issued via certified letter with return receipt requested. MACs shall notify providers of the specific reason for selection. If the basis for selection is comparative data, MACs shall provide the data on how the provider varies significantly from other providers in the same specialty, jurisdiction, or locality. Graphic presentations help to communicate the perceived problem more clearly.

## Recovery Auditors

The Recovery Auditors are required to post a description of all approved new issues to the Recovery Auditor's Web site before correspondence is sent to the provider. After posting, the Recovery Auditor should issue an additional documentation request (ADR) to the provider, if warranted.

## Zone Program Integrity Contractors

The Zone Program Integrity Contractors shall notify selected providers prior to beginning a provider-specific review by sending an individual written notice. ZPICs shall indicate whether the review will occur on a prepayment or postpayment basis. ZPICs shall maintain a copy of the letter and the date it was mailed. This notification shall be mailed the same day that the edit request is forwarded to the MAC. Refer to Exhibit 45 for the letter to be sent.

## **B. Notice of Service-Specific Review**

This section applies to MACs, Recovery Auditors *and SMRC* as indicated.

Service-specific reviews are undertaken when the same or similar problematic process is noted to be widespread and affecting one type of service (e.g., providing tube feedings to home health beneficiaries across three (3) *states*).

## MACs

### **Web site postings**

The MACs shall provide notification prior to beginning a service-specific review by posting a review description on *their* Web site. *MACs should, at their discretion, state what additional documentation is needed from providers to make a claim determination on their Web site. MACs shall keep the Web site current by posting active reviews. MACs should, at their discretion, create an archive for old review topics that are no longer under active review. Active review is defined as the time period during which ADRs are sent, determinations are made and findings are communicated to the providers. MACs should categorize the active review topics by provider type.*

### **Individual written notices**

MACs *have the discretion to also notify providers about a service-specific review by* sending individual notices to the affected providers. MACs have the discretion to issue the notice separately or include it in the ADR. *MACs should, at their discretion, state what additional documentation is needed from providers to make a claim determination in the written notices.*

## Recovery Auditors

Before beginning widespread service-specific reviews, Recovery Auditors shall notify the provider community that the Recovery Auditor intends to initiate review of certain items/services through a posting on the Recovery Auditor Web site describing the item/service that will be reviewed. Additionally, for

complex reviews, the Recovery Auditors shall send ADRs to providers that clearly articulate the items or services under review and indicate the appropriate documentation to be submitted.

### Zone Program Integrity Contractors

The ZPICs shall provide notification prior to beginning a service-specific review by sending individual written notices to the affected providers. This notification shall be mailed the same day that the edit request is forwarded to the MAC. The ZPICs shall maintain a copy of the letter and the date it was mailed. Refer to Exhibit 45 for the letter to be sent.

### SMRC

*The SMRC shall operate/maintain a public Web site that displays what types of issues are under review. For each area, the SMRC shall include a link to the relevant OIG/GAO or other reports available. In addition to the Web site, the SMRC shall notify providers about a service-specific review by sending an ADR. The SMRC shall state what additional documentation is needed from providers to make a claim determination in the ADR.*