

# esMD Annual Program Report

October 1, 2014 - September 30, 2015

December 2015

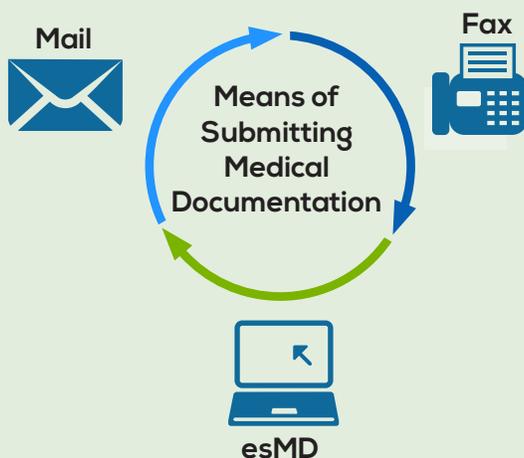


## Background

One of the main services of the Centers for Medicare & Medicaid Services (CMS) is to protect the Medicare Trust Fund by establishing Medicare coverage rules and preventing improper payments. The CMS does this by contracting with a number of private companies collectively known as Review Contractors. The different types include:

- Medicare Administrative Contractors (MAC)
- Recovery Auditors
- Supplemental Medical Review Contactor
- Zone Program Integrity Contractors
- Quality Improvement Organizations

Historically, Review Contractors requested medical documentation by sending a paper letter to the healthcare Provider. Prior to September 2011, these Providers had two options for submitting the requested records – paper mail or fax. In September 2011, CMS gave these Providers a new solution, a system called Electronic Submission of Medical Documentation (esMD).



The esMD system enables appropriate and secure electronic exchange of health information among organizations in accordance with nationally-recognized Office of the National Coordinator (ONC) for Health Information Technology standards. The esMD transactions are safe and secure because the esMD system uses ONCs Exchange gateway standards. As of summer 2012, the inbound esMD system began allowing Providers to electronically send medical documentation in Portable Document Format (PDF) to Medicare Review Contractors.

Using the esMD system is not mandatory for Providers. Review Contractors are prohibited from targeting Providers for medical review just because they use the esMD system<sup>1</sup>. As CMS continues to enhance esMD system functionality, Review Contractors, Health Information Handlers (HIH), and Providers may elect to participate in specific services offered on the expanding esMD system menu.

The CMS expanded the esMD system to support prior authorization programs, which may provide a collective benefit to esMD stakeholders by helping to reduce documentation errors, claim denials, and improper payments. For healthcare Review Contractors, HIHs, and Providers, the esMD system may help improve the payment turnaround time, ease organizational burdens, and reduce administrative costs associated with medical documentation requests and responses.

<sup>1</sup> CMS Program Integrity Manual, Chapter 3 , Section 3.2.1.

## Recent esMD System Functional Enhancements

In the 10/01/2014 - 09/30/2015 reporting period, CMS expanded the esMD system to include:

### Prior Authorization Requests

A prior authorization request is submitted when a Provider requests prior authorization of an item or service before the health care is provided. Prior authorization allows Providers and Suppliers to address issues with claims prior to rendering services and to possibly avoid the appeal process. The esMD system currently allows Suppliers, Providers, and HIHs to electronically send prior authorization requests to Review Contractors. Similarly, the esMD system allows Review Contractors to electronically send prior authorization responses to Suppliers, Providers, and HIHs.

#### ■ **Prior Authorization of Non-Emergent Hyperbaric Oxygen Therapy**

In March -July 2015, CMS implemented a prior authorization model for non-emergent hyperbaric oxygen (HBO) therapy in three states (MI, IL, and NJ). The following Part A/B MACs are now able to receive HBO prior authorization requests from HIHs in Portable Document Format (PDF) format via the esMD system.

- MAC J8/WPS (MI)
- MAC J6/NGS (IL)
- MAC JL/Novitas Solutions (NJ)

#### ■ **Prior Authorization of Repetitive Scheduled Non-Emergent Ambulance Transport**

In December 2014, CMS implemented a prior authorization model for repetitive scheduled non-emergent ambulance transport in three states (SC, NJ, and PA). The following Part A/B MACs can receive ambulance prior authorization requests from HIHs in PDF format via the esMD system.

- J11/Palmetto GBA (SC)
- MAC JL/Novitas Solutions (NJ and PA)

### esMD Release 4.0

The esMD system 4.0, released on June 22, 2015, is focused on the Electronic Data Interchange (EDI) between Providers, Provider Organizations, HIHs, and Review Contractors. Release 4.0 introduced the EDI X12 278 file format for submitting prior authorization requests. Additionally, the 4.0 release continues to use existing External Data Representation "XDR" Interchange profiles to submit prior authorization requests and other lines of business. The esMD system supports Power Mobility Devices (PMD), Non-Emergent Ambulance, and HBO prior authorization programs. Other lines of business include:

#### ■ **First Level Appeal Requests**

Once an initial claim is denied for payment by Medicare, participating Providers and Suppliers have the right to appeal. The CMS expanded the esMD system to enable Providers to submit first level appeal requests electronically in PDF format to Review Contractors. Review Contractors who are participating in the first level appeal request functionality do so on a voluntary basis.

#### ■ **Recovery Auditor Discussion Requests**

Previously, Providers who wanted to request a discussion of the results of a recovery auditor review used mail or fax to send the request. The CMS expanded the esMD system to allow Providers to submit Recovery Auditor Discussion Requests electronically in PDF format to Recovery Auditors. All Recovery Auditors can receive Recovery Auditor Discussion Requests from HIHs in PDF format via the esMD system.

#### ■ **Advanced Determination of Medical Coverage**

Advanced Determination of Medicare Coverage (ADMC) is a voluntary program that allows Suppliers and Beneficiaries to request prior approval and determine, in advance of delivery, whether the purchase of a Durable Medical Equipment (DME) item would likely be covered. Review Contractors who are participating in the ADMC functionality do so on a voluntary basis.

## esMD System Data

The number of cumulative participants in the CMS esMD program by the end of fiscal year 2015:



- **101,707 Medicare Providers** (Hospitals, Physicians, and Suppliers) used the esMD system to respond to the medical record requests they received from Review Contractors.



The number of currently active participants in the CMS esMD program during fiscal year 2015:

- **19 Health Information Handlers** have been certified by CMS to offer esMD system services. The Providers contract with HIHs to supply them with esMD system services similar to the way that Providers contract with Claims Clearinghouses to supply them with claims submission services. See Table A for the categorized list.



- **35 Review Contractors** are approved by CMS to accept medical records via the esMD system. See Table B for the categorized list.

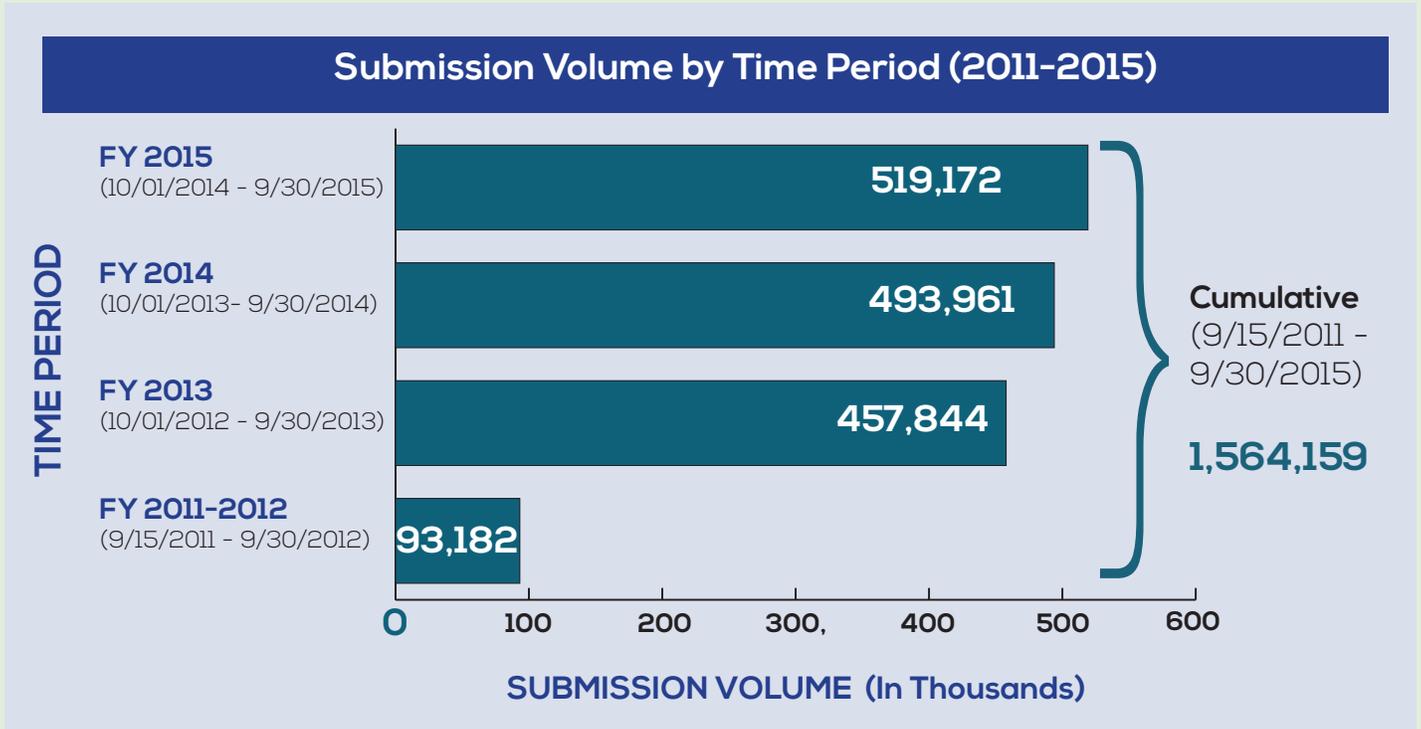
### Volume Sent via the esMD system between Providers and Review Contractors

Volume Type by Lines of Business	FY 2015 esMD Volume (10/01/2014 - 9/30/2015)	Cumulative esMD Volume
Prior Authorization Requests *	16,647	25,370
Prior Authorization Responses (Decision/Notification) *	14,404	21,118
First Level Appeal Requests	25,440	27,089
Recovery Auditor Discussion Requests	2,876	2,879
Advanced Determination of Medical Coverage Requests	231	231
Medical Record Submission Count (in response to Additional Documentation Requests)	519,172	1,564,159

\* The prior authorization totals above include all esMD system requests and responses for the following supplies and services: (1) PMD, (2) HBO, and (3) Ambulance.

## esMD System Data (continued)

Medical Record Submission Count (in response to Additional Documentation Requests).



### CMS-certified Health Information Handlers and Review Contractors

Table A lists the Health Information Handlers certified by CMS to conduct esMD system transactions during the reporting period.

<b>Table A: CMS-Certified esMD System Health Information Handlers</b>			
<b>1</b>	Bluemark, LLC	<b>11</b>	Medical Electronic Attachment (MEA)
<b>2</b>	Cobius	<b>12</b>	MedFORCE Technologies
<b>3</b>	Consulate Health	<b>13</b>	MRO
<b>4</b>	Craneware, Inc.	<b>14</b>	QUADAX
<b>5</b>	eSolutions, Inc.	<b>15</b>	RISARC
<b>6</b>	First Genesis	<b>16</b>	Rycan Technologies, Inc.
<b>7</b>	HealthPort	<b>17</b>	SSI
<b>8</b>	IOD Incorporated	<b>18</b>	SunCoast RHIO, Inc.
<b>9</b>	IVANS / ABILITY Network	<b>19</b>	Verisma Systems, Inc.
<b>10</b>	LOISS, Ltd.		

## esMD System Data (continued)

Table B lists the Review Contractors approved by CMS to accept esMD system transactions during the reporting period.

<b>Table B: CMS Review Contractors Accepting esMD System Transactions</b>	
<b>Recovery Auditors</b>	<b>1</b> Region A (Performant Recovery)
	<b>2</b> Region B (CGI Federal)
	<b>3</b> Region C (Connolly)
	<b>4</b> Region D (HealthDataInsights)
<b>Durable Medical Equipment Medicare Administrative Contractors (DME MAC)</b>	<b>1</b> DME MAC JA (NHIC)
	<b>2</b> DME MAC JB (NGS)
	<b>3</b> DME MAC JC (CGS)
	<b>4</b> DME MAC JD (Noridian)
<b>Part A/B Medicare Administrative Contractors (A/B MAC)</b>	<b>1</b> MAC J5 (WPS)
	<b>2</b> MAC J6 (NGS)
	<b>3</b> MAC J8 (WPS)
	<b>4</b> MAC J15 (CGS)
	<b>5</b> MAC JE/1 (Noridian)
	<b>6</b> MAC JF/2&3 (Noridian)
	<b>7</b> MAC JH/4&7 (Novitas Solutions)
	<b>8</b> MAC JJ/10 (Cahaba)
	<b>9</b> MAC JK/13&14 (NGS)
	<b>10</b> MAC JL/12 (Novitas Solutions)
	<b>11</b> MAC JM/11 (Palmetto GBA)
	<b>12</b> MAC JN/9 (First Coast Service Options)
<b>Zone Program Integrity Contractor (ZPIC)</b>	<b>1</b> ZPIC 1 (SafeGuard Services)
	<b>2</b> ZPIC 2 (Advance Med)
	<b>3</b> ZPIC 3 (Advance Med)
	<b>4</b> ZPIC 4 (Health Integrity)
	<b>5</b> ZPIC 5 (Advance Med)
	<b>6</b> ZPIC 7 (SafeGuard Services)
<b>Quality Improvement Organization (QIO)</b>	<b>1</b> QIO Area 1 (Livanta)
	<b>2</b> QIO Area 2 (KEPRO)
	<b>3</b> QIO Area 3 (KEPRO)
	<b>4</b> QIO Area 4 (KEPRO)
	<b>5</b> QIO Area 5 (Livanta)
<b>Other Contractors</b>	<b>1</b> U.S. Railroad Retirement Board - RRB (Palmetto GBA)
	<b>2</b> Supplemental Medical Review Contractor (StrategicHealthSolutions)
	<b>3</b> Comprehensive Error Rate Testing - CERT (Livanta)
	<b>4</b> Program Error Rate Measurement - PERM (A+ Government Solutions)



Updated lists of CMS-approved Review Contractors and CMS-certified Health Information Handlers can be found at: <https://www.cms.gov/esmd>

## Current and Future esMD System Enhancements

### ■ esMD Release 4.1.2 Implemented Technical Change Requests and Fixes

- Go-Live date: Late Fall 2015
- Streamline current lines of business

### ■ Prior Authorization of Repetitive Scheduled Non-Emergent Ambulance Transport - Phase II

- Section 515 of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) expands the prior authorization of repetitive scheduled non-emergent ambulance transport model to six additional areas.
- Ambulance Suppliers or Beneficiaries in Delaware, the District of Columbia, Maryland, North Carolina, Virginia, and West Virginia began submitting prior authorization requests on December 15, 2015 for transports occurring on or after January 1, 2016.

### ■ esMD Release 5.1 to Implement Business Change Requests

- Targeted Go-Live date: Summer 2016
- Second level appeal requests