Claims Compliance Analysis

Amy Kanter, SBS Auditor

Michigan Department of Community Health

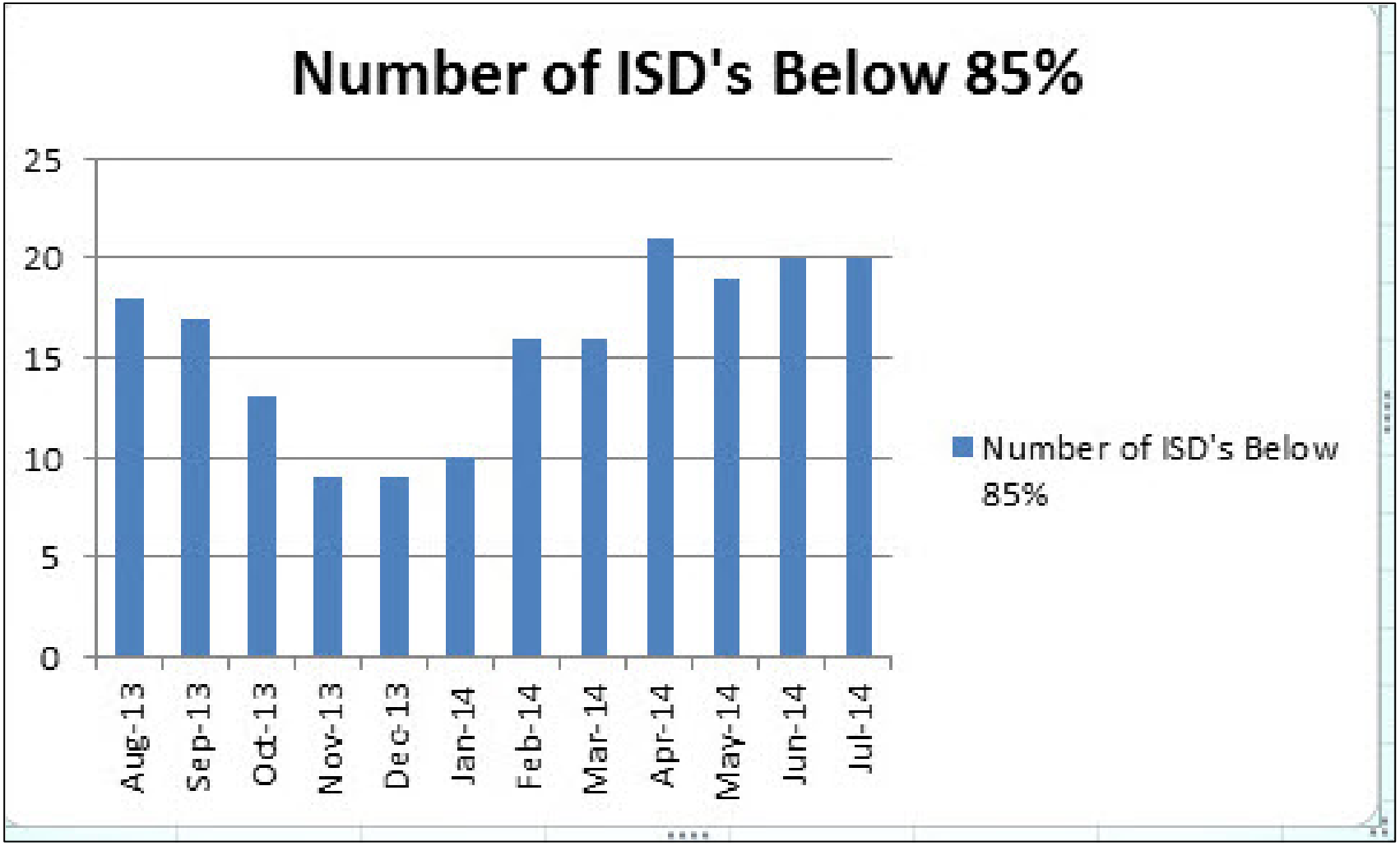
2014 MDCH SBS Conference – Traverse City, MI

August 22, 2014

Background
(MI Medicaid Provider Manual)

- The Centers for Medicare & Medicaid Services (CMS) also required Michigan SBS providers to submit procedure specific fee for service claims for all Medicaid allowable services
- These claims do not generate a payment but are required by CMS in order to monitor the services provided, the eligibility of the recipient, and provide an audit trail
- If the claim volume decreases significantly or drops to zero in any two consecutive months, all interim payments will be held until the provider is contacted and the issue resolved
- MDCH will monitor provider claim volume to make sure that this mandate is followed

Historical Trends



Monthly Claims Comparison Process

- Queries are run to pull the claims
- Information is compiled into a spreadsheet and a rolling average is calculated
- Percentages are identified
- Letters/Information Sheets are issued
- Response letters are issued for the documentation provided

Claims Pull Process

- Claims are pulled with the following criteria
  - By NPI number
  - Pulled by date of service
  - Claim type G
  - Limited to a paid date of the 18th of each month

SBS Procedure Codes - Medical

Procedure Code	Description	Type
96110	Developmental screen	Medical
96111	Developmental test extend	Medical
96116	Neurobehavioral status exam	Medical
96118	Neuropsych tst by psych/phys	Medical
97001	Pt evaluation	Medical
97003	Ot evaluation	Medical
97110	Therapeutic exercises	Medical
97112	Neuromuscular reeducation	Medical
97116	Gait training therapy	Medical
97150	Group therapeutic procedures	Medical
97530	Therapeutic activities	Medical
97533	Sensory integration	Medical
97535	Self care mngment training	Medical
97542	Wheelchair mngment training	Medical
97755	Assistive technology assess	Medical
97760	Orthotic mgmt and training	Medical
97761	Prosthetic training	Medical
97762	C/o for orthotic/prosth use	Medical
99367	Team conf w/o pat by phys	Medical
G9042	Low vision rehab orient/mobi	Medical
T1001	Nursing assessment/evaluatn	Medical
T1002	RN services up to 15 minutes	Medical
T1003	LPN/LVN services up to 15min	Medical
T1020	Personal care ser per diem	Medical
T1024	Team evaluation & management	Medical
T2023	Targeted case mgmt per month	Medical
V2799	Miscellaneous vision service	Medical

SBS Procedure Codes - Speech

Procedure Code	Description	Type
92506	Speech/hearing evaluation	Speech
92507	Speech/hearing therapy	Speech
92508	Speech/hearing therapy	Speech
92521	Evaluation of speech fluency	Speech
92522	Evaluate speech production	Speech
92523	Speech sound lang comprehen	Speech
92524	Behavral qualit analys voice	Speech
92550	TYMPANOMETRY & REFLEX THRESH	Speech
92551	PURE TONE HEARING TEST AIR	Speech
92552	PURE TONE AUDIOMETRY AIR	Speech
92553	AUDIOMETRY AIR & BONE	Speech
92555	Speech threshold audiometry	Speech
92556	SPEECH AUDIOMETRY COMPLETE	Speech
92557	Comprehensive hearing test	Speech
92558	EVOKED AUDITORY TEST QUAL	Speech
92567	Tympanometry	Speech
92568	Acoustic refl threshold tst	Speech
92582	Conditioning play audiometry	Speech
92594	ELECTRO HEARING AID TEST ONE	Speech
92595	ELECTRO HEARING AID TST BOTH	Speech
92630	Aud rehab pre-ling hear loss	Speech
92633	Aud rehab postline hear loss	Speech

SBS Procedure Codes- Psych

Procedure Code	Description	Type
90785	Psytx complex interactive	Psych
90804	Psytx office 20-30 min	Psych
90806	Psytx off 45-50 min	Psych
90810	Intac psytx off 20-30 min	Psych
90812	Intac psytx off 45-50 min	Psych
90832	Psytx pt&/family 30 minutes	Psych
90834	Psytx pt&/family 45 minutes	Psych
90846	Family psytx w/o patient	Psych
90847	Family psytx w/patient	Psych
90853	Group psychotherapy	Psych
96101	Psycho testing by psych/phys	Psych
H0004	Alcohol and/or drug services	Psych
H0031	MH health assess by non-md	Psych
S9484	Crisis intervention per hour	Psych

SBS Procedure Codes- Trans

Procedure Code	Description	Type
A0120	Noner transport mini-bus	Trans
A0130	Noner transport wheelch van	Trans

Psych, Speech, & Transportation

- Psych, Speech, & Transportation are pulled out of the analysis as there have been conflicts and changes at different points over the years

- Our goal is to compare the numbers as equally across the ISD's as possible

Claim Process Steps

- Information is input into a spreadsheet
- Calculate rolling averages
- Calculate a lag time in claims submissions to determine an average for a look back period to allow time for claims to be paid after submitted
- Calculate percentages

Letters Issued

- Letter 1- Warning Letter
- Letter 2- 30 Day Letter
- Letter 3- Suspension Letter

- In response to all required documentation- a response letter is issued to the ISD
- Information sheets are also provided to reflect the trends of the claims

Sample Warning Letter

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

JAMES K. HAVEMAN
DIRECTOR

August 5, 2014

Contact Name
Facility Name
Street Address
City, Michigan ZIP

Re: **Insufficient Claim Activity- Warning Letter**
FYE: 06/30/2014
Facility NPI:

Dear Provider:

This letter is to serve as notification of a non-compliance issue in regards to claim activity. A recent review of your facility's claims activity indicate little or no claims activity for the current fiscal year (rolling average 06/01/2012 through 06/30/2013) as compared to the same dates in the prior year (rolling average 06/01/2011 through 06/30/2012). Please provide to us detailed documentation as to why the claims volume has dropped, what the corrective measures will be, and the targeted date for the corrective measures.

Section 1903 of the Social Security Act, authorizes federal funding to states for programs that impact Medicaid payment for services provided in schools. Section 411(k)(13) of the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360) amended section 1903(c) of the Act to permit Medicaid payment for medical services provided to children under IDEA through a child's Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP). Specifically, the Michigan Medicaid Provider Manual for School Based Services, Section 6.1 Method of Reimbursement, clearly states:

> "The Centers for Medicare and Medicaid Services (CMS) also requires Michigan SBS providers to submit procedure specific fee for service claims for all Medicaid allowable services. These claims do not generate a payment but are required by CMS in order to monitor the services provided, the eligibility of the recipient, and provide an audit trail. . . . If claim volume decreases significantly or drops to zero in any two consecutive months, all interim payments will be held until the provider is contacted and the issue is resolved."

Pursuant to the CMS mandate, if fee for service claim volume is not maintained the State entity must recover any interim payments that may be at risk. If you have any questions, please contact Amy Kanter at (517) 373-4522.

Sincerely,

Steve Ireland, Manager
Michigan Department of Community Health
Hospital & Clinic Reimbursement Division
Capitol Commons Center, 5th floor
400 S. Pine Street
Lansing, Michigan 48913

Sample 30 Day Notice Letter

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

JAMES K. HAVEMAN
DIRECTOR

August 5, 2014

Name
Facility
Address
City, State, Zip

Re: **Insufficient Claim Activity**
FYE: 06/30/2014
Facility NPI: 1174639728

Dear Provider:

This letter is to serve as notification of a non-compliance issue in regards to claim activity. A recent review of your facility's claims activity indicate little or no claims activity for the current fiscal year (rolling average 11/01/2012 through 11/30/2013) as compared to the same dates in the prior year (rolling average 11/01/2011 through 11/30/2012). Please provide us with detailed documentation as to why the claims volume has dropped, what the corrective measures will be, and the targeted date for the corrected measures.

Section 1903 of the Social Security Act, authorizes federal funding to states for programs that impact Medicaid payment for services provided in schools. Section 411(k)(13) of the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360) amended section 1903(c) of the Act to permit Medicaid payment for medical services provided to children under IDEA through a child's Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP). Specifically, the Michigan Medicaid Provider Manual for School Based Services, Section 6.1 Method of Reimbursement, clearly states:

> "The Centers for Medicare and Medicaid Services (CMS) also requires Michigan SBS providers to submit procedure specific fee for service claims for all Medicaid allowable services. These claims do not generate a payment but are required by CMS in order to monitor the services provided, the eligibility of the recipient, and provide an audit trail. . . . If claim volume decreases significantly or drops to zero in any two consecutive months, all interim payments will be held until the provider is contacted and the issue is resolved."

Pursuant to the CMS mandate, if fee for service claim volume is not maintained the State entity must recover any interim payments that may be at risk. ***Until your claim activity increases, the State of Michigan will begin to suspend the interim payments to your facility effective 30 days from the date of this letter. If claim volume is not restored to the appropriate level steps will be taken to recover prior interim payments.*** If you have any questions, please contact Amy Kanter at (517) 373-4522.

Sincerely,

Steve Ireland, Manager

Amy Kanter, Auditor
Michigan Department of Community Health
Hospital & Clinic Reimbursement Division
Capitol Commons Center, 5th floor

Sample Payment Suspension Letter

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

JANET OLSZEWSKI
DIRECTOR

August 5, 2014

Contact Name
Facility Name
Street Address
City, Michigan ZIP

Re: **Interim Payment Suspension**
FYE: 06/30/2014
Facility NPI:

Dear Provider:

This letter is to serve as a notification of suspension of you monthly interim payments due to a non-compliance issue in regards to claim activity. The most recent review of claims activity with a date of service 7/1/10 thru 2/28/2011 and a date of payment between 7/1/10 and 3/16/2011 compared to the same dates in the prior year indicated a number of providers who have little or no claims activity for the current fiscal year. The Individuals with Disabilities Education Act (IDEA) authorizes federal funding to states for programs that impact Medicaid payment for services provided in schools. Section 411(k)(13) of the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360) amended section 1903(c) of the Act to permit Medicaid payment for medical services provided to children under IDEA through a child's Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP). Specifically Michigan Medicaid Provider Manual for School Based Services Section 6.1 Method of Reimbursement clearly states;

"The Centers for Medicare and Medicaid Services (CMS) also requires Michigan SBS providers to submit procedure specific fee for service claims for all Medicaid Allowable Services. These claims do not generate a payment but are required by CMS in order to monitor the services provided, the eligibility of the recipient and provide an audit trail.....If claim volume decreases significantly or drops to zero in any two consecutive months, all interim payments will be held until the provider is contacted and the issue is resolved."

CMS has mandated that if claim volume is not maintained the State entity must recover any interim payments that may be at risk. Until claim activity increases The State of Michigan in compliance with CMS mandate has suspended your interim payments.

Sincerely,

Steve Ireland, Manager

Amy L. Kanter, Auditor
Michigan Department of Community Health
Hospital & Health Plan Reimbursement Division
Capitol Commons Center, 5th floor
400 S. Pine Street
Lansing, Michigan 48913

Sample Response Letter

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

JAMES K. HAVEMAN
DIRECTOR

August 5, 2014

«first_name» «last_name»,«title»
«facility_name»
«street»
«city», «state» «zip»

Re: **Insufficient Claim Activity Response Letter- Refer To Letter Dated October 1, 2013**
FYE: 06/30/2014
Facility NPI: «F2»

Dear Provider:

In August 2013 we found that the claim level for your facility had fallen below the 85% threshold. In order to stay in compliance, we require the facility to document a detailed reason for this drop in claims and what the corrective measures will be in order to get the claim level back into compliance. Your documentation stated that your facility had the billing conducted by MedBill, whom is no longer in business. You have now become your own billing agent but will need to process back-claims throughout the year of 2013. Your target date for completion is December 1, 2013. We accept this as proper documentation with corrective measures. We will monitor your claims and expect to see them back in the 85% threshold for the December 2013 data pull.

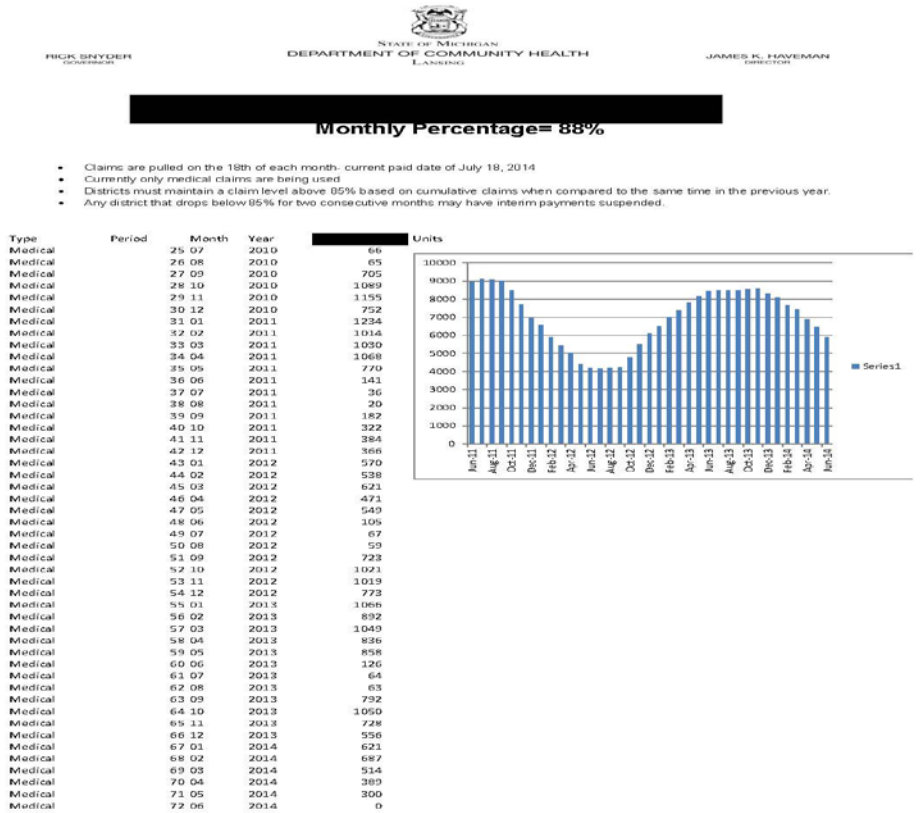
Pursuant to the CMS mandate, if fee for service claim volume is not maintained the State entity must recover any interim payments that may be at risk. If you have any questions, please contact Amy Kanter at (517) 373-4522.

Sincerely,

Steve Ireland, Manager
Michigan Department of Community Health
Hospital & Clinic Reimbursement Division
Capitol Commons Center, 5th floor
400 S. Pine Street
Lansing, Michigan 48913

Sample Information Sheet

- First page shows the actual claims that were paid by month
- Graph reflects the rolling averages and trends that may help identify problems



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

JAMES K. HAVEMAN
DIRECTOR

[redacted]

Monthly Percentage= 88%

- Claims are pulled on the 18th of each month- current paid date of July 18, 2014
- Currently only medical claims are being used
- Districts must maintain a claim level above 85% based on cumulative claims when compared to the same time in the previous year.
- Any district that drops below 85% for two consecutive months may have interim payments suspended.

Type	Period	Month	Year	[redacted]	Units
Medical		25 07	2010	66	
Medical		26 08	2010	65	
Medical		27 09	2010	705	
Medical		28 10	2010	1089	
Medical		29 11	2010	1155	
Medical		30 12	2010	752	
Medical		31 01	2011	1234	
Medical		32 02	2011	1014	
Medical		33 03	2011	1030	
Medical		34 04	2011	1068	
Medical		35 05	2011	770	
Medical		36 06	2011	141	
Medical		37 07	2011	36	
Medical		38 08	2011	20	
Medical		39 09	2011	182	
Medical		40 10	2011	322	
Medical		41 11	2011	384	
Medical		42 12	2011	366	
Medical		43 01	2012	570	
Medical		44 02	2012	538	
Medical		45 03	2012	621	
Medical		46 04	2012	471	
Medical		47 05	2012	549	
Medical		48 06	2012	105	
Medical		49 07	2012	67	
Medical		50 08	2012	59	
Medical		51 09	2012	723	
Medical		52 10	2012	1021	
Medical		53 11	2012	1019	
Medical		54 12	2012	773	
Medical		55 01	2013	1066	
Medical		56 02	2013	892	
Medical		57 03	2013	1049	
Medical		58 04	2013	836	
Medical		59 05	2013	858	
Medical		60 06	2013	126	
Medical		61 07	2013	64	
Medical		62 08	2013	63	
Medical		63 09	2013	792	
Medical		64 10	2013	1050	
Medical		65 11	2013	728	
Medical		66 12	2013	556	
Medical		67 01	2014	621	
Medical		68 02	2014	687	
Medical		69 03	2014	514	
Medical		70 04	2014	389	
Medical		71 05	2014	300	
Medical		72 06	2014	0	

Sample Information Sheet Continued

- This portion shows the 12 month rolling average calculated

ROLLING AVERAGE:			
RA25	Jul-10	Jun-11	8948
RA26	Aug-10	Jul-11	9089
RA27	Sep-10	Aug-11	9059
RA28	Oct-10	Sep-11	9014
RA29	Nov-10	Oct-11	8491
RA30	Dec-10	Nov-11	7724
RA31	Jan-11	Dec-11	6953
RA32	Feb-11	Jan-12	6567
RA33	Mar-11	Feb-12	5903
RA34	Apr-11	Mar-12	5427
RA35	May-11	Apr-12	5018
RA36	Jun-11	May-12	4421
RA37	Jul-11	Jun-12	4200
RA38	Aug-11	Jul-12	4164
RA39	Sep-11	Aug-12	4195
RA40	Oct-11	Sep-12	4234
RA41	Nov-11	Oct-12	4775
RA42	Dec-11	Nov-12	5474
RA43	Jan-12	Dec-12	6109
RA44	Feb-12	Jan-13	6516
RA45	Mar-12	Feb-13	7012
RA46	Apr-12	Mar-13	7366
RA47	May-12	Apr-13	7794
RA48	Jun-12	May-13	8159
RA49	Jul-12	Jun-13	8468
RA50	Aug-12	Jul-13	8489
RA51	Sep-12	Aug-13	8486
RA52	Oct-12	Sep-13	8490
RA53	Nov-12	Oct-13	8559
RA54	Dec-12	Nov-13	8588
RA55	Jan-13	Dec-13	8297
RA56	Feb-13	Jan-14	8080
RA57	Mar-13	Feb-14	7635
RA58	Apr-13	Mar-14	7430
RA59	May-13	Apr-14	6895
RA60	Jun-13	May-14	6448
RA61	Jul-13	Jun-14	5890

Sample Information Sheet Continued

- Last section reflects the percentages calculated by dividing the current 12 month rolling average by the prior 12 month period

CLAIM COMPARISON ROLLING AVERAGE:

RA# Num	12 mo ending	RA# Den	12 mo endi	NPI 1477635282 Units
RA37	Jun-12	RA25	Jun-11	46.94%
RA38	Jul-12	RA26	Jul-11	45.81%
RA39	Aug-12	RA27	Aug-11	46.31%
RA40	Sep-12	RA28	Sep-11	46.97%
RA41	Oct-12	RA29	Oct-11	56.24%
RA42	Nov-12	RA30	Nov-11	70.87%
RA43	Dec-12	RA31	Dec-11	87.86%
RA44	Jan-13	RA32	Jan-12	99.22%
RA45	Feb-13	RA33	Feb-12	118.79%
RA46	Mar-13	RA34	Mar-12	135.73%
RA47	Apr-13	RA35	Apr-12	155.32%
RA48	May-13	RA36	May-12	184.55%
RA49	Jun-13	RA37	Jun-12	201.62%
RA50	Jul-13	RA38	Jul-12	203.87%
RA51	Aug-13	RA39	Aug-12	202.29%
RA52	Sep-13	RA40	Sep-12	200.52%
RA53	Oct-13	RA41	Oct-12	179.25%
RA54	Nov-13	RA42	Nov-12	156.89%
RA55	Dec-13	RA43	Dec-12	135.82%
RA56	Jan-14	RA44	Jan-13	124.00%
RA57	Feb-14	RA45	Feb-13	108.88%
RA58	Mar-14	RA46	Mar-13	100.87%
RA59	Apr-14	RA47	Apr-13	88.47%
RA60	May-14	RA48	May-13	79.03%
RA61	Jun-14	RA49	Jun-13	69.56%

Effects of Non-Compliance

- Interim payments can be suspended until the 85% level is reached
- If an ISD comes into compliance at any time during this process, the process stops and missed monthly payments can be made up if requested in writing
- Risks of non-compliance on the part of MDCH
  - CMS sanctions
  - Possible loss of the program

Reasons Behind Drop In Claims

- Parental consent changes
- CHAMPS edit issues
- Reduction in staff and students
- Changes in federally funded employees
- Changes in who does the billing
- Other issues specifically within the ISD

** Reasons require specific detailed information

Claim Resolution Steps

- Determine if the problem lies within the claim being paid. We can provide assistance to help determine the cause of the denials
- Identify where the issues lie and possibly using the information sheet to provide trending information over the years
- Conference calls

Support Documentation & Corrective Measures

- Provide us with detailed documentation of your situation and explain the reason for the drop in claims
- Provide us with the corrective measures (if any)
- Provide us with how long before you expect the corrective measures to bring the compliance back above 85%

Proactive Steps – ISD

- Staff training and follow up
- Review the internal processes
- Know program changes
- Know procedure code changes
- Identify claim denials and causes

Questions?

Contact Information –

- Email: kantera@michigan.gov
- Phone: 517-373-4522
- Fax: 517-241-7408