



Keep Calm and Prepare for IMPACT – Part 2

As expected, President Obama signed the Improving Medicare Post Acute Care Transformation (IMPACT) Act on October 6th, 2014. So it is now official: 1) for the next ten years hospices will be surveyed no less frequently than every three years for compliance with the Medicare Conditions of Participation; and, 2) there will be additional scrutiny of hospices that exceed the yet to be determined threshold of patients on service longer than 180 days.

At Weatherbee, we still question how much impact this much-heralded legislation will have on improving the quality of care provided by hospices (see our blog article on this topic [here](#)). However, our focus and commitment is to help hospices prepare for the inevitable increased scrutiny. [Part 1](#) of this blog post presented ideas for preparing for surveys related to compliance with the Medicare Conditions of Participation. These surveys are likely to begin six months after the enactment of the legislation.

The focus of this blog post is preparation for the medical reviews of hospices that exceed the yet to be determined threshold of long length of stay patients. There is likely to be future rule making that determines which Medicare contractor will be conducting these reviews as well as clarification of the percentage of long stay that would trigger the reviews. It is expected that CMS will follow the recommendation in MedPAC's 2009 [report](#) that hospices with 40% or more of their patients with stays exceeding 180 days be subject to review. Although these details still need to be determined, it is clear that the additional scrutiny will focus on the hospice needing to demonstrate the patient's initial and continued eligibility for hospice care.

Whether your hospice has a high percentage of long-stay patients or not, proactively preparing for medical review will position your organization for the best possible outcomes in the event you receive Additional Development Requests (ADRs) or become the target of other audits or investigations related to patient eligibility. The following considerations and activities should be standard components of the auditing and

monitoring functions of your hospice's corporate compliance program and should occur under the direction and supervision of the compliance officer.

- Regularly monitor your hospice's census to determine the percentage of patients: 1) on service for more than 180 days; 2) with non-cancer diagnoses; and, 3) residing in facilities (SNFs or ALFs);
- Create and implement audit tools and protocols specific to evaluating a patient's technical and clinical eligibility for hospice care as well as for higher levels of care. For example:
 - Technical (i.e., coverage-related) requirements such as valid election forms, certifications of terminal illness, etc.;
 - Medical necessity (i.e., Local Coverage Determination (LCD) guidelines and other prognosis-impacting conditions that support a limited life expectancy); and,
 - Requirements for billing higher levels of care (i.e., general inpatient care and/or continuous care).
- Determine audit frequency:
 - Develop an audit calendar, inclusive of volumes, frequencies, and compliance goals. For example: On a monthly basis, conduct an audit of X% of all newly admitted patient records to evaluate compliance with Notice of Election requirements. The compliance goal is 100%. [Note: Once the compliance goal is achieved and maintained for X consecutive months, the volume and/or frequency may be reduced.]
- Determine the audit sample:
 - Determine how each audit sample will be established (e.g., random or targeted). For example, selecting a random sample of 10% of a 100-patient census would result in including every 10th patient on the list in the audit sample. Selecting a targeted sample of patients would require limiting the list to only a given type of patient (i.e., patients who received the general inpatient level of care during a particular month) and then selecting a random sample of those patients. [Note: Using RAT-STATS methodology for audit sampling is not recommended unless the audit is being conducted under attorney-client privilege for a very specific purpose.]
- Once the audit type, frequency, and sample have been established, communicate with the billing department to ensure that all claims associated

with pre-billing audits are held pending completion of the audit. [Note: Weatherbee recommends conducting only pre-billing clinical record audits, unless the audit is being conducted under attorney-client privilege for a very specific purpose.]

- Ensure that all auditors: 1) receive training on how to use the audit tool(s); 2) follow the established protocol; and, 3) report all aberrant findings to the designated person in a timely manner.
- Review the audit results and:
 - Assure full compliance with all payment-related requirements prior to allowing the billing department to submit the held claims to the hospice's Medicare Administrative Contractor (MAC) for payment;
 - Develop a Performance Improvement Plan to identify and address the root cause of all aberrant findings; and,
 - Determine whether the audit type, frequency, and/or sample needs to be adjusted going forward. As a general rule, the more high-risk, high volume, and problem-prone an issue is, the more frequently it should be audited to ensure full compliance.

Conducting pre-billing audits provides an opportunity to evaluate the type, frequency, and quality of interdisciplinary documentation to demonstrate the patient's initial and ongoing eligibility for hospice care. It allows the opportunity to identify and potentially correct payment-related deficiencies prior to submitting claims. This proactive approach results in cleaner claims and fewer payment denials. In addition, if your hospice is subject to the IMPACT Act's medical review due to exceeding the long length of stay threshold, this proactive auditing and monitoring of long stay patient eligibility will make responding to the additional scrutiny less onerous.

If you need help, Weatherbee Resources, Inc. offers clinical record auditing and other survey-readiness consultations. For more information, contact our consulting division at 866-969-7124 or visit our [website](#).

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