

Part B Insider (Multispecialty) Coding Alert

Audits: Prepare for ZPIC Audits Using These Quick Tips

Why you should focus on specific problems.

With the wide variety of compliance issues and audits that you have to worry about, you have one more added to the list -- Zone Program Integrity Contractor (ZPIC) audits. And ZPICs are increasing among providers.

ZPIC audits tend to closely follow the target areas identified in the OIG's Workplan -- which isn't good news for your practice. The OIG's recently released 2013 Workplan indicated that it would focus on E/M payments, incident to services, and other hot-button issues, which means ZPIC audits could expand in scope and increased in intensity.

Watch out: Unlike other Medicare audits, ZPIC audits are not random, according to a recent CMS Compliance Group blog post that said, "ZPIC auditors are selecting providers based on indication of potential fraud." The auditors conduct post-payment and pre-payment audits to root out Medicare fraud, targeting providers already suspected of coding and billing irregularities.

How Bad Could It Be?

Even if you've never heard much about them, beware that ZPIC audits are serious business. According to a presentation by Halcyon Rehabilitation, ZPIC audits have three potential outcomes:

1. **Provider education** -- this is the best outcome for a ZPIC audit, because you wouldn't end up with an overpayment demand or other sanctions.
2. **Referral to the Medicare Administrative Contractor** -- the ZPIC could refer the audit results to the MAC for overpayment collection. If this happens, you can appeal the overpayment determination (see How To Win A ZPIC Appeal on page 348).
3. **Criminal or civil prosecution** -- the worst possible outcome is that the ZPIC refers your case for criminal prosecution or civil litigation under the False Claims Act and imposes civil monetary penalties or other sanctions.

Take 3 Steps to Ease Your ZPIC Worries

If you're wondering whether you'll soon get a visit from a ZPIC, you're not alone. Here are a few things you can do to prepare for -- and survive -- a ZPIC audit:

1. Proactively review and update your documentation practices. Although you may overturn claims denials, you should reduce your risk of denials in the first place. While ZPIC auditors excel at identifying reasons for denial, excellent documentation can prevent even the pickiest auditor from denying a medically necessary claim.

2. Take a second look at your E/M, incident-to, and claims for E/Ms during the global. Prepare your arguments for defending these claims, since the OIG has already indicated that these claims will be scrutinized.

3. Consider an internal audit. If you haven't performed a self-audit in a while, now might be a good time to ensure that the claims you're reporting are all ironclad. That way, even if a ZPIC does visit, you'll be confident that you've coded accurately.