Part B Insider (Multispecialty) Coding Alert

Audits: This MAC Shares the Dirt on 4 Common Audit Types

Chinese restaurant menu didn't cut it as documentation for one hospital.

Does it sometimes seem like various Medicare auditors are coming at you from all directions? That's because there are four different types of auditors that can request Medicare records from you. Trailblazer Health, a Part B MAC in five states, cleared up the issue during its Feb. 8 webinar, "Medicare Documentation and Audits."

Four types of audits exist for Medicare practices, said TrailBlazer's **Sherrie Varner** during the TrailBlazer session. Read on for the scoop about each type.

1. Medicare Administrative Contractor (MAC)

Your MAC processes claims and can perform pre-payment and post-payment reviews. If your MAC identifies you for an audit, it will send you an ADS letter, typically asking you to submit specific documentation.

Important: Be sure to review both the front and back of the ADS letter to ensure that you send all of the claim documentation to the MAC. Missing information could result in your entire claim being denied.

Top improper payment culprit that MACs see: "CMS has found that most Medicare improper payments happen because a provider did not comply with Medicare's coverage, coding, or billing rules," Varner said.

2. Comprehensive Error Rate Testing (CERT). The CERT audits are exclusively post-payment reviews. "The CERT program is CMS's process to determine how accurately Medicare contractors review and process claims," Varner said.

Why does this apply to you? If the CERT finds errors involving money overpaid to your practice, it instructs your MAC to recoup the funds from you.

In addition, errors that the CERT identifies can become issues of focus in future MAC and RAC audits.

Watch out for this: A "very common" CERT error is insufficient documentation, Varner said. For instance, the CERT reviews a claim for dialysis service, but finds that the documentation simply had the doctor's name hand written below the typed orders. "CERT was unable to validate the ordering physician as the author of this handwritten name," she said.

Menus won't cut it: Another common error that CERT auditors see is a total lack of documentation. "Right when CERT first started, they requested information from a hospital, and what was sent back to them from the hospital was the menu from a Chinese restaurant," Varner said.

If an auditor asks for records from you, double check that you're submitting every document they requested.

3. Recovery Auditors

Formerly known as Recovery Audit Contractors (RACs), recovery auditors only do post-payment reviews.

Recovery auditors can look back for three years from the date your claim was paid, but they can't review any claims paid before Oct. 1, 2007. These auditors perform two types of reviews--automated and complex.

During an automated review, the auditor will not request medical records from you, but will instead base the review on the claim information that you already submitted to Medicare.

In the case of a complex review, the auditor will request records from your practice, which are subsequently reviewed by doctors, nurses, therapists, and coders. If documentation is missing or complete, the auditor might downcode or deny services, and can instruct your MAC to recoup money that was overpaid.

4. Zone Program Integrity Contractor (ZPIC)

The ZPICs review potential Medicare fraud, Varner said, "so if you get a letter from them, it's not a good thing."

Not only can the ZPICs perform medical reviews and data analysis, but they also investigate fraud and abuse, and refer cases to law enforcement, Varner said.

You Can Appeal Audit Decisions

All four types of reviewers use Medicare coverage, coding, or billing rules, as well as MAC rules. The reviewer will use his own clinical judgment, as well as clinical decision-making tools, during the audit.

If you choose to appeal an audit decision, the process is the same for MAC, CERT, and ZPIC appeals, and you have 120 days from the date of the remittance advice or debt collection letter requesting your recoupment to file your first level of appeal, also known as a "redetermination."

In the case of a recovery auditor appeal, you have 15 days from the date of the initial demand or review results letter to initiate the "recovery auditor discussion period," which is the first appeal level, Varner said.