Deciding What to Appeal

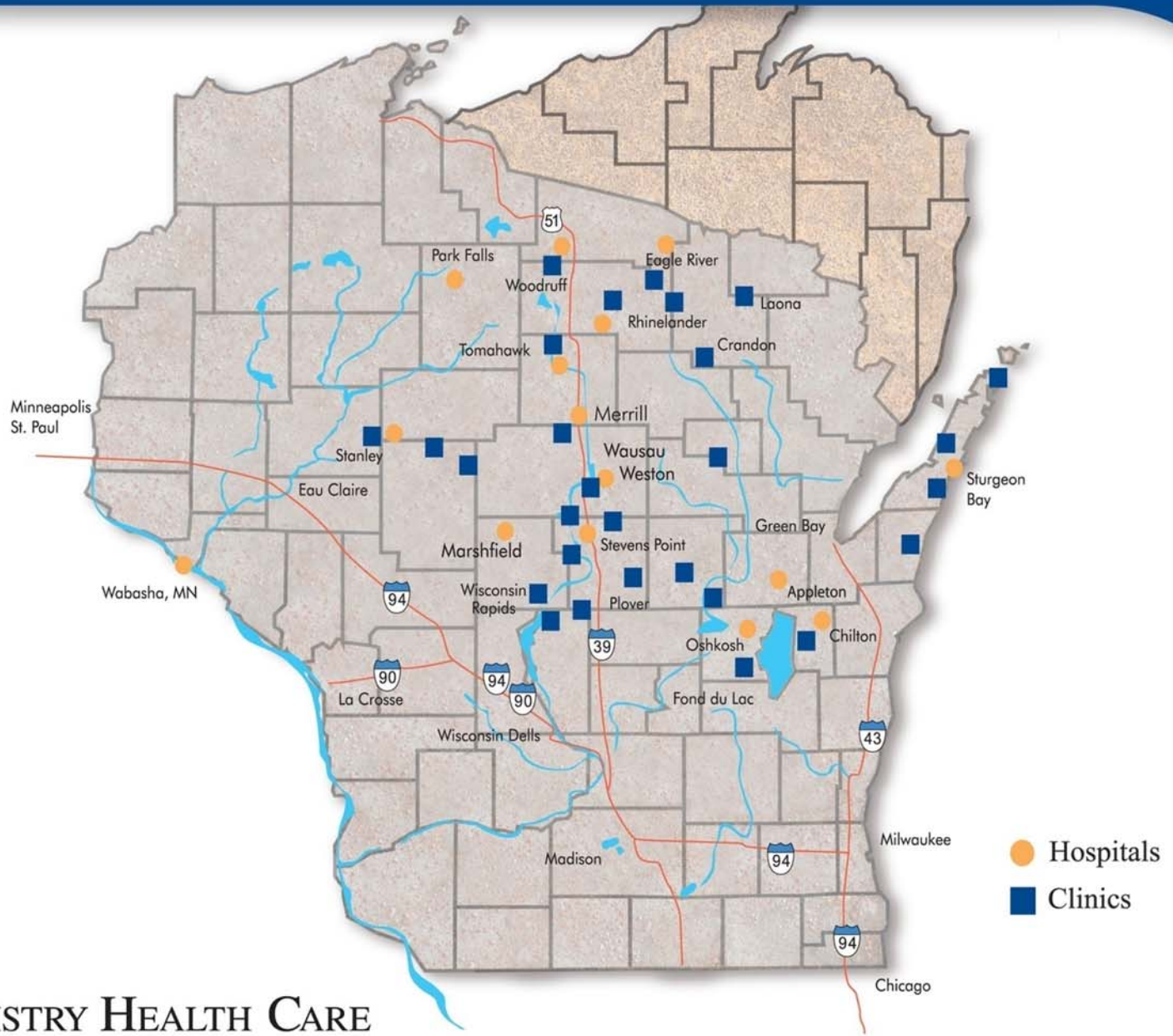
Larry T. Hegland, MD

System Medical Director for Recovery Audit and Appeal Services

Chief Medical Officer: Ministry Saint Clare's Hospital, Ministry Good Samaritan Health Center and the Diagnostic and Treatment Center

MINISTRY HEALTH CARE

today. tomorrow. together.



MINISTRY HEALTH CARE

RAC Structure

- Centralized RAC team serving Ministry Health Care System with dedicated staff
  - Medical director (0.5)
  - Administrative director (0.5)
  - Audit and appeal nurses (4)
  - Database coordinators (4)
  - Local site liaisons
    - Administrative
    - Health information management
- RAC tracking software
- Document management system

What Cases Should I Appeal?

Everything!

Thank You

Questions?

OK, maybe it’s a bit more nuanced than that…

Ministry RAC Summary

- Almost $55 Million at risk
  - Total take backs of ~3% of at risk dollars
- 5593 complex reviews
  - 700,325 pages of documentation submitted
- 78% no findings rate (vs. 58% in RACTrac Survey)
  - 19% overpayment (vs. 40%)
  - 3% underpayment (vs. 2%)
- Current appeal rate: ~ 85% (vs. 44%)
  - 90% Success rate (vs. 72%)
  - Great majority of our wins occur at Level 1 and 2 of the appeals process
  - Level 3 appeals are increasing

Back to What to Appeal…

- Ministry experience
  - We have found no way to predict what cases will win or lose
  - Our Part A to Part B rebilling experience
  - Independent reviewers of medical necessity denials frequently disagree on the medical necessity (inpatient vs. observation)
    - Due to vague rules, physician variability

Automated Reviews

- Frequently overlooked for their opportunity to appeal
- Ministry's experience
  - 3.5% appealed (50% won and 50% in process)
  - 0.5% rescinded
  - 6% were within the timely filing deadline and properly rebilled
- Don't just ignore these

DRG Validation Audits

- Another area of missed opportunity
- Team approach is critical
- You need an excellent coder with knowledge of the rules and AHA Coding Clinics
  - The official source for ICD-9 coding questions
  - Coding rules can be ambiguous and complex, Coding Clinics provides clarification
  - Coders are not required to have any clinical background
  - Physician input can be critical to deciding on an appeal and making it successful

Complex Audit Appeals

- Ministry uses an ethics based process to determine appeals
  - Must have a medical basis/evidence to support an appeal
  - Did we properly render a service even if the status choice was questionable?
- Team decision determines if an appeal will be made
  - Always consider Discussion and peer-to-peer as a means of avoiding an appeal altogether
  - Comply with all rules and deadlines!
  - Appeals are graded as to the strength of our position (consider time value of money/interest)
  - Lowest dollar claims given lower priority

Case Review Strategy

- Nurse reviewers evaluate overpayment denials for possible discussion and feasibility of appeal
  - Case summaries prepared
  - External support sought for coding review and additional case information as needed
- Team meeting to discuss and formulate appeals
  - Record review document created to summarize case, auditor position, and potential for appeal
  - Identify appropriate supporting medical literature
  - Determine need for internal experts
  - Education needs identified
  - Need for team meetings decreases over time other than to discuss complex and interesting cases

Appeal Strategy

- Nurse reviewers prepare initial appeal letter following a templated approach
  - First level appeal is written as if for the ALJ
  - PA reviews draft letter for revision
- Focus on medical arguments
  - Address how documentation supports the status choice
    - Physician's complex medical judgment, 24-hour benchmark, criteria as guidelines, many DRG's have GMLOS of less than 2 days
    - Humanize the patient
  - Letters include extensive legal arguments

Education Resources

- RAC Relief listserv
- ACMA – American Case Management Association
- ACDIS – Association for Clinical Documentation Improvement Specialists
- Numerous vendor education opportunities
- AHIMA – American Health Information Management Association
- ACPE – American College of Physician Executives

Physician Advisors and RAC

- Making the case that Physician Advisors are necessary to a strong recovery audit management program
  - Clinical knowledge and judgment
  - Understanding of how clinical documentation translates into coding
  - Flexibility to deal with issues at all levels of the process
  - Can best work with physicians to elicit additional input to support appeals
  - Best able to provide education when opportunities for improvement are identified

What About the Future?

- The new Two Midnight Rule for determining inpatient vs. observation status
  - Still awaiting full CMS guidance
  - As expected the rules is vague and confusing and will require detailed interpretation before we achieve a steady state
  - Despite comments to the contrary, it appears that medical necessity documentation will be subject to even more scrutiny than in the past
- The role of the Physician Advisor is not going away anytime soon

Questions?

- For additional information or to be added to the RAC Relief Listserv, please direct requests to:

  larry.hegland@ministryhealth.org

  or

  http://groups.google.com/group/rac-relief

  or

  715-393-2487