

# Surviving an OIG Extrapolation Audit

The National RAC Summit

Presenter

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# Timeline

In the beginning...

- January 25, 2011 – received OIG notice of audit
- May 16 – 27, 2011 – on site for two weeks
- May 23 – no closed claims for audit
  - No formulation of questions
  - Continued review required
- September 2011 – providing additional audit/claim information



# Timeline

And it continued...

- October 14, 2011 – received Internal Control Questionnaires ICQ to be completed by October 21, 2011 (5 business days)
- November 3, 2011 – OIG acknowledges ICQ not correct and resends updated templates
- November 16, 2011 – 5 ICQs must be submitted by November 18, 2011 (no prior notice given)



# Timeline

Getting close to the end...

- January 25, 2012 – draft report received from OIG
- January 26, 2012 – requested spreadsheets noting issue, claim and take back
- January 27, 2012 – received information on one Tab
- April 10, 2012 – responses to audit findings sent to OIG



# Timeline

Not...

- May 22, 2012 – notified that report was posted on OIG website
- May 29, 2012 – OIG accountant requested copies of billing documents by June 19, 2012
- June 19, 2012 – communicated to OIG difficulty in getting claims reprocessed correctly
- Present, no closure to 2 Medical Device Credit claims



# Audit Request

Request format...

- Provided Excel Spreadsheet, 10 Tabs  
Representing 10 Distinct
- 172 Medical Records



# Audit Request

Things to watch for...

- 12 claims not Medicare (Medicare Advantage)
- 6 duplicate requests (154 Medical Records processed)
- Some claims were requested on multiple tabs
- Not all “Tabs” received with initial request
- Delayed on site audit requested



# Audit Categories

Provided Excel spreadsheet, 10 Tabs...

- IP payments greater than charges, 39 claims
- IP claims greater than \$150k, 17 claims
- Hemophilia, 18 claims
- 1 day IP stays, 26 claims
- 2 day IP stays, 25 claims
- Medical device credits, 9 claims





# Audit Categories

Provided Excel spreadsheet, 10 Tabs...

- MCC/CC, 6 claims
- OP claims greater than \$25k, 5 claims
- OP payments greater than charges, 1 claims
- Modifier 59, 15 claims



# On Site Review

Staffing and process...

3 OIG Auditors

– 2 CPAs

– 1 RN and CPA

- Scopes of each specific audit area identified
- Compliance staff review performed for all claims based on scope prior to site visit
- Compliance staff worked alongside auditors



# On Site Review

## Challenges...

- Financial auditors reviewing clinical claims
- Lack of understanding of InterQual criteria
- Lack of experience in medical record review
- Scope of audits changed constantly
- Disorganized process/inexperienced auditors



# On Site Review

Challenges...

- No disclosure of methodology used to calculate correct claim amount



# Post On Site Review

## Challenges...

- Claim added that wasn't part of original audit
- Format for responding to internal controls didn't match issues
- Difficulty in getting TrailBlazer to make timely changes to claims that matched OIG amounts



# Mitigation Efforts

Compliance action taken...

- Implemented morning huddles
  - All Compliance staff and OIG auditors
  - Written status reports
- Required staff to be readily available to auditors
- Manage behavior



# Post On Site Activities

The audit went on...

- Additional information still being requested 4 months post on site
- Hard copies provided for incomplete MR reviews
- Letter to OIG Audit Manager



# Current OIG Audit

Changes made...

- Template developed – Summary of Claim Audit Review
  - Section 1: Review Description and Findings
  - Section 2: Medical Record Mapping
  - Section 3: Prior Audit Activity
  - Section 4: Cause of Error/Corrective Action Plan
- Summaries reviewed with OIG auditors when requested





**QUESTIONS?**

