

COMPLIANCE ROUND-UP

New Webinar Format, CMS Medicaid Program
Integrity Manual,
State Medicaid Fraud Units,
Stanford Data Security Breach, and
Newly Approved RAC Issues

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Faculty

- Brian Annulis, JD, CHC
 - Partner, Meade & Roach, LLP
 - 773.907.8343
 - bannulis@meaderoach.com
- Ryan Meade, JD, CRC
 - Partner, Meade & Roach, LLP
 - 773.472.3975
 - rmeade@meaderoach.com



Compliance Round-Up: New Webinar Format Overview

- For the past several years, we have offered the RAC Subscription Service
- Our goal was to provide subscribers with information regarding Medicare (and Medicaid) RAC programs
- Our services offerings and webinars have included a broad range of compliance related topics
- We have decided it would be best and more representative of our offerings to expand the scope of our subscription service and webinars to include compliance generally



Compliance Round-Up: New Webinar Format Overview

- Effective January 1, 2012, we will formally change the name of our RAC subscription service to the Compliance Round-Up
- We will expand the scope of our RAC Subscription Service to include Compliance generally
- We will continue to host webinars twice per month and subscribers will have access to the RAC page
- Scope of topics to be discussed include
 1. AKS & Stark Law,
 2. HIPAA,
 3. RAC,
 4. Medicare ,
 5. Compliance Program tips and,
 6. Other compliance subjects



Compliance Round-Up: New Webinar Format Overview

- As always, regularly scheduled Webinars will be supplemented, as necessary, with special “emergency” sessions
- Administrative Matters
 - Each session will continue be 60-75 minutes in duration, including a question and answer session
 - Each session will begin at 12:00 PM CT
 - If you are unable to participate in the live discussion, each session will be recorded and made available in MP3 format
 - We will le all of you try it out for the next three months at no additional charge
 - If you like the revised format, you can review your subscription as of January 1, 2012



Continuing Goals

- The goals of the Compliance Round-Up Webinars:
 - Teaching/knowledge transfer
 - Keep you up to date on compliance rules
 - Practical points
 - Assist organizations to develop in-house methods of managing
 - Please share your thoughts, suggestions (and criticisms)
- We will be spending October building the new format with a re-boot for the November and December trial period
 - We will be adding faculty to the program to bring additional perspectives
 - We welcome all suggestions for topics!



Today's Topics and Agenda

- Newly released Medicaid Program Integrity Manual
- Revised Standards for assessing MFCUs
- Stanford Hospital Data Security Breach
- Newly Approved RAC Issues

Medicaid Program Integrity Manual

- On September 23, 2011, CMS issued an initial release of Pub. 100-15, the Medicaid Program Integrity Manual
- The Deficit Reduction Act of 2005 created the Medicaid Integrity Program (MIP) under Section 1936 of the Social Security Act.
- CMS has two broad responsibilities under the MIP:
 - (1) hire contractors to review Medicaid provider activities, audit claims, identify overpayments, and educate providers and others on MIP issues; and
 - (2) provide effective support and assistance to states in their efforts to combat Medicaid provider fraud and abuse.



Medicaid Program Integrity Manual

“The Medicaid Program Integrity Manual is intended to promote continuity and consistency of the MIP by providing a comprehensive guide to its overall operations. The manual will primarily serve as a reference tool to assist State Medicaid officials, providers, healthcare organizations, CMS, and other federal agencies in:

1. Understanding the goals and objectives of the MIP;
2. Improving the communication and transparency of the MIP;
and
3. Educating outside entities of the evolving functions of the MIP.”

Organization within CMS

- Acronyms gone wild!
 - Within the Center for Program Integrity (CPI) there has been established a Medicaid Integrity Group (MIG) for managing the Medicaid Integrity Program (MIP).
 - Drum roll.....
 - “The MIG is charged with implementing the MIP.”



MIG Audit Focus & Prioritization

- The MIM (Section 2010) sets out the MIG's audit priority by areas:
 - Long Term Care
 - Home Health
 - Inpatient Hospital
 - Pharmacy
- Compliance Program tips: be sure that your compliance program extends to these areas

MIG Oversight of Extrapolation

- Will be working on a common extrapolation method.
- “The main goal is to establish a gold standard MIG sampling plan that can be used by all the Audit MICs so that there is no ambiguity in contractor’s understanding their role and responsibility in conducting the sampling, extrapolation and audits.”

Big Questions...

What is NOT in the MIM?

- The current release of the MIM is clearly designed as a framework for much “beefier” Manual to come.
- Many of the sections are scoped out but “reserved” for future use.
- For example, Chapter 14 will be dedicated to Medicaid RAC but it is blank now

OIG Proposes Revised Performance Standards for State MFCUs

- On October 6, 2011, OIG published a notice in the Federal Register seeking comments on revised standards for assessing the performance of State MFCUs.
- MFCUs are tasked with investigating and prosecuting Medicaid provider fraud, and patient abuse and neglect.
- States are responsible for operating MFCUs, but receive reimbursement for a percentage of their operating costs from the federal government.

OIG Proposes Revised Performance Standards for State MFCUs

- All MFCUs currently are reimbursed at 75% of their costs
- The OIG is authorized to certify and annually recertify MFCUs as eligible for FFP
- The OIG uses performance standards to determine the effectiveness of MFCUs
- Prior standards published on September 26, 1994 (59 Fed. Reg. 49080)

OIG Proposes Revised Performance Standards for State MFCUs

- Newly proposed standards
 - Compliance with Requirements
 - Staffing
 - Policies and Procedures
 - Maintaining Adequate Referrals
 - Maintaining a Continuous Case Flow
 - Case Mix
 - Maintaining Case Information
 - Performance Outcome and Measurement
 - Cooperation with Federal Authorities on Fraud Cases
 - Program Recommendations
 - Agreement with Medicaid Agency
 - Fiscal Control
 - Training

Stanford Hospital Data Security Breach

- It was recently reported that Stanford University Hospital & Clinics discovered that a spreadsheet containing PHI of approximately 20,000 patients had been posted on a homework tutoring site for approximately one year.
- The spreadsheet included names, diagnosis codes, admission and discharge dates, and billing charges for patients seen at Stanford Hospital's emergency room during a six-month period in 2009.
- According to published reports, one of Stanford's billing vendors, Multi-Specialty Collection Services, had created the spreadsheet as part of a billing and payment analysis for the hospital. The spreadsheet somehow became posted on the website on September 9, 2010, as an attachment to a question about how to construct a bar graph.
- Stanford apparently was not aware of the breach until a patient reported it to the hospital on August 22, 2011.



Stanford Hospital Data Security Breach

- Stanford now faces a \$20 million proposed class action lawsuit filed in California state court by a patient on behalf of herself and other affected individuals.
- Implications?
 - Indemnification from BAs
 - Not required, but . . .
 - Consider scope of indemnification
 - Right to audit and inspect?
 - Not required by the Privacy Rule
 - Direct liability by BAs under HIPAA, but reputational harm
 - Representations and warranties from BA

Newly Approved RAC Issues

- HDI, the RAC for Region D, has posted 30 acute care hospitalization issues since September 8, 2011
 - Medicare pays for inpatient hospital services that are medically necessary for the setting billed. Medical documentation will be reviewed to determine that services were medically necessary.
- CGI, the RAC for Region B, has posted several new issues, including several professional and DME claims
- Connolly, the RAC for Region C, has also posted several new issues, including for DME

Follow-Up

- Questions?

questions@aegis-compliance.com
audiocourses@aegis-compliance.com

- Next Lecture:

Tuesday, October 25, 2011
12pm CT/1pm ET

