



Total Healthcare Claims Integrity, Quality and Cost Containment

State of Kansas - Medicaid RAC

June 2011

Presenters:

Andrea Benko

Dr. Ellen Evans

Agenda

- Overview of HDI
- Quality Management
- Review Processes
- Provider Service

HDI Mission

*HDI is the leading company
in health care claims integrity*

- Waste, fraud, abuse and improper payment identification and recoupment solutions –
for the government sector (Medicare/Medicaid),
health plans, and major employers

RAC Mission: Ensure integrity of Medicare and Medicaid claims through the identification and correction of improper payments

HDI Healthcare Experience

- Over 25 years experience auditing health care claims
- Sole focus – Health Care
- Rigorous quality program
- CMS Recovery Audit Contractor for Region D (the 17 western states)
 - ✓ Including the State of Kansas
- CMS (Medicaid) PERM (Payment Error Rate Measurement) - 6 years
- Experienced health care management team and Advisory Boards

HDI Management Team

Andrea Benko, President & CEO

- HealthDataInsights co-founder and President, 2000-present
- Davita, 1998-1999 (NYSE:DVA)
- Total Physician Services, Inc., 1996-1998
- Vesicare, Inc., 1994-1996
- Total Pharmaceutical Care, Inc., 1990-1994 (NYSE: AHG)
- Laboratory industry and clinical nursing, 1977 – 1986, 1988-1990
- BSN, Wayne State University, 1977
- MBA, Harvard Business School, Harvard University, 1988

HDI Management Team

Ellen Evans, M.D., Corporate Medical Director

- HealthDataInsights, 2007 - present
- Mutual of Omaha, Medicare Division, VP and Medical Director, 2005 - 2007
- VNA Outreach to Homeless Youth, Physician, volunteer, 2006-2007
- Blue Cross Blue Shield of Nebraska, Physician Reviewer, 2001 – 2005
- Geriatric Consultation Services, Nebraska, Director, 1993 – 2006
- MCMC Medical Care Ombudsman Program, Ind. Reviewer, 2000 - 2005
- Creighton University Medical Center, St. Joseph Hospital, Senior Staff, 1988 to present
- Board-certified Diplomat, ABFM
- Diplomat, American Board of Quality Assurance and Utilization Review Physicians
- Fellow, American Academy of Family Physicians
- B. S. Biology, University of Houston, 1975
- M.D., University of Texas Medical School at Houston, 1983

Robin Luten, RN, BSN, MBA, CCM, CHCQM, VP of Quality Management and Utilization Review

- HealthDataInsights, 2006 - present
- Heart of Florida Regional Medical Center, Director of Case Management, 2005-2006
- Florida Hospital, Associate Director of Case Management, 1995-2005
- Oncology and Staff Nurse, 1980-1995
- Diplomat, American Board of Quality Assurance and Utilization Review Physicians
- BSN, University of Phoenix, 2001
- MBA Health Care Management, University of Phoenix, 2003

HDI Management Team

Darcy Green, Compliance Officer, Privacy Officer

- HealthDataInsights, 2010-present
- Corporate Counsel – 1995 - 2009
- Office of Attorney General, NV Department of Justice – 1987 - 1995
- Los Angeles Superior Court, Probate Division – 1986 - 1987
- BA, Criminal Justice, Bowling Green State University - 1983
- Juris Doctorate, Pepperdine University School of Law - 1987

Judy Zwick, SVP of Implementation Services

- HealthDataInsights, 1998 - present
- Anthem Blue Cross Blue Shield, 1989 -1998
 - Audit and Recovery Operations – Ohio
 - Medicare Risk, Traditional
- University of Cincinnati, 1994 -1995
- Xavier University, 1996 -1997

Strategic Advisory Board

- **Joan Herman, MBA, MS, Chair Strategic Advisory Board**

- President Herman & Associates LLC, 2008-present
- Chairman of the Board, MRV Communications, Inc 2009-Present (OTC:MRVC.PK)
- President and CEO, Consumer Business Unit, President and CEO of Senior, State Sponsored & Specialty Businesses and Corporate Executive V.P. WellPoint, Inc., 1998-2008, (NYSE:WLP)
- Senior VP, Strategic Development, Senior VP Group Insurance and Senior VP Group Underwriting and Administration Phoenix Life Insurance Company, 1989-1998, (NYSE:PNX)
- MBA Western New England College, MS (Mathematics) Yale University and AB (Mathematics) Barnard College, Columbia University

- **Amar Chahal, MD, MBA**

- Co-founder of several high-tech companies
- Merck, informatics and outcomes division
- MBA Columbia University; MBBS (MD) Armed Forces Medical College, Pune, India; Fellow of the Royal College of Surgeons (FRCS), Edinburgh, Scotland.

- **Lisa Sewell DeMoss, JD, BA**

- SVP, General Counsel, Corporate Compliance Officer, Blue Cross Blue Shield of Michigan, 2003-2009
- VP, Deputy General Counsel, Litigation; Principal Counsel, Auto-National Division, 1998-2003; Litigation Counsel, 1984-1998
- Fitzgerald Peters Dakmak and Bruno, Detroit Michigan, Partner, 1980-1984; Associate, 1977-1980
- JD, Wayne State University Law School, Detroit, Michigan
- BA, Michigan State University, East Lansing, Michigan

- **William Keane, MD**

- Merck & Co., Vice President, Clinical Development, (rtd)
- Chairman, Dept of Medicine, Hennepin County Medical Center
- MD Yale University, School of Medicine

- **Donald Miller, PMD**

- Board of Directors (rtd): Schering-Plough, The Bank of New York
- Executive Management, Dow-Jones & Company; Deputy Assistant Secretary of Defense
- PMD, Harvard Business School, Harvard University

- **Jack Wickens**

- National Plan President United Healthcare: responsible for a \$20 billion business unit serving 22 million Americans (NYSE:UNH)
- Director Healthways Inc (Nasdaq:HWAY)
- Director USA Track & Field Foundation
- Board Chair United Healthcare Children's Foundation
- Former (six years) Board Director for America's Health Insurance Plans (AHIP)
- Graduate of Bucknell University

- **Sam Green, MD & Cliff Molin, MD, MBA**
Co-Chairmen CMS Advisory Board

- Specialty-focused medical practitioners to identify, review and validate queries and result sets

Quality Management Program

- Existing Medical Advisory Board
 - Physicians representing various specialties
- Review staff and review process similar to provider, QIO, Medicaid PERM, and Claim Processing Contractor review processes
- IRR (Inter-rater reliability) program

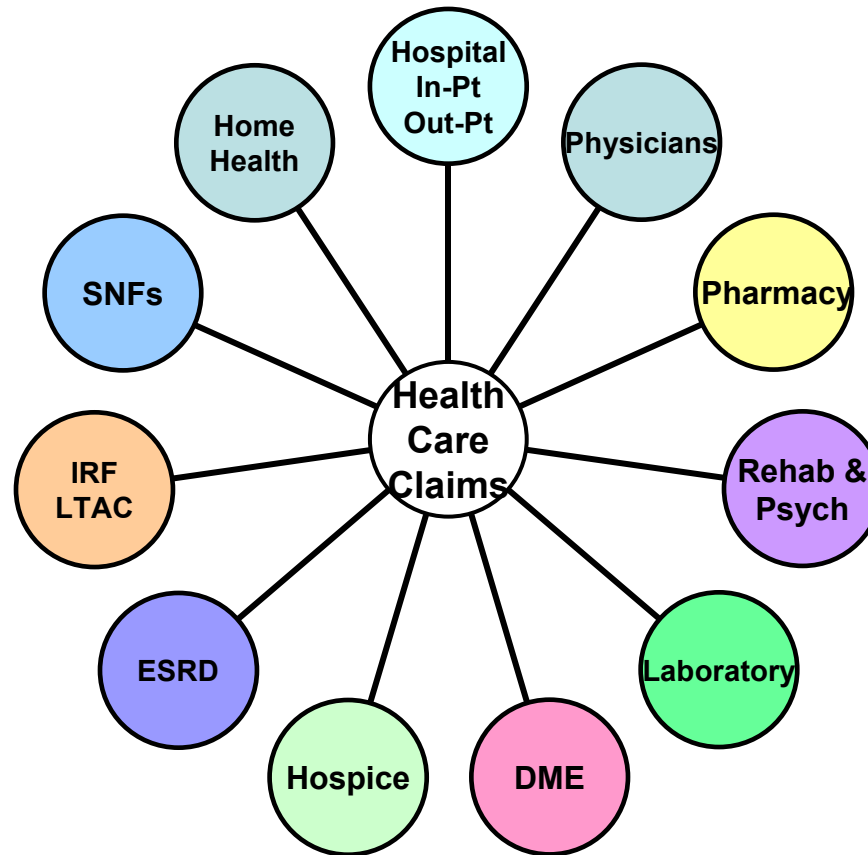
Quality Management Program

- Review guidelines:
 - Kansas Medicaid Policies,
 - State or Federal statutes or regulations,
 - CMS Regulations, and review guidelines, such as McKesson InterQual & Milliman Care Guidelines (guidelines only support clinical review judgment)

New Issue Ideas

- Where does RAC get its query ideas?
 - Data Analysis
 - SAS analysis, data mining, trending
 - Policy/ Rules and Regulations
 - Kansas State Policy
 - NCDs
 - State Medicaid Manual
 - State and Federal Regulations
 - Reports (Outcomes)
 - OIG Reports
 - PERM
 - QIOs
 - GAO Reports
 - CMS Publications
 - RAC Vulnerability Calls & other known vulnerabilities
 - Industry & Practice Experience
 - Provider Associations (underpayments)
 - HDI Industry experience

Medicaid RAC Audit Program



Claim Categories Reviewed

- Inpatient Hospital
- Psychiatric, Mental Health, and Behavioral Health Services
- Nursing Facility, ICF and ICF/MR, Chronic Care Services
- Outpatient Hospital Services, Practitioners, Clinics
- Dental and Oral Surgery Services
- Prescribed Drugs
- Home Health Services
- Personal Support Services
- Hospice Services
- Therapies, Hearing and Rehabilitation Services
- Habilitation and Waiver Programs, Adult Day Care and Foster Care
- Laboratory, X-ray and Imaging Services
- Vision: Ophthalmology, Optometry and Optical Services
- Durable Medical Equipment (DME) and Supplies, Prosthetic/Orthopedic Devices, and Environmental Modifications
- Transportation and Accommodations
- Denied Claims
- Crossover Claims
- Capitated Care/Fixed Payments
- Managed Care
- Unknown

RAC Audits

- Automated – Claims data analysis
- Complex – Medical record review

Health Care Management Team

- Medical Advisory Boards
- Corporate Medical Director over-site and support
- 100% of our CV staff are certified coders with specific, applicable coding expertise
- UR staff are licensed RNs with specialty focus and utilization review certifications
- Onsite hospital bill auditors are nurses averaging 16 years of financial/record audit experience
- Experienced pharmacy division

Vulnerability Identification

- Analyze results to identify vulnerabilities
- Recommend strategies to correct
 - System edit or fix
 - Provider education
 - Policy change
 - Process improvement

RAC Process

- Claim adjusted on Medicaid claim system
- Improper payment types approved by KHPA
 - Posted on HDI Provider Portal
- HDI mails Demand Letter or Underpayment Letter to provider
 - Improper payment description
 - Administrative reconsideration and Fair Hearing instruction
- Medicaid Administrative Reconsideration and Appeals
 - 30 days to file administrative reconsideration to HDI
 - 2nd level available to Fair Hearing if within 30 days of administrative review finalization or
 - 30 days to file Fair Hearing with OAH

Administrative Reconsideration Period

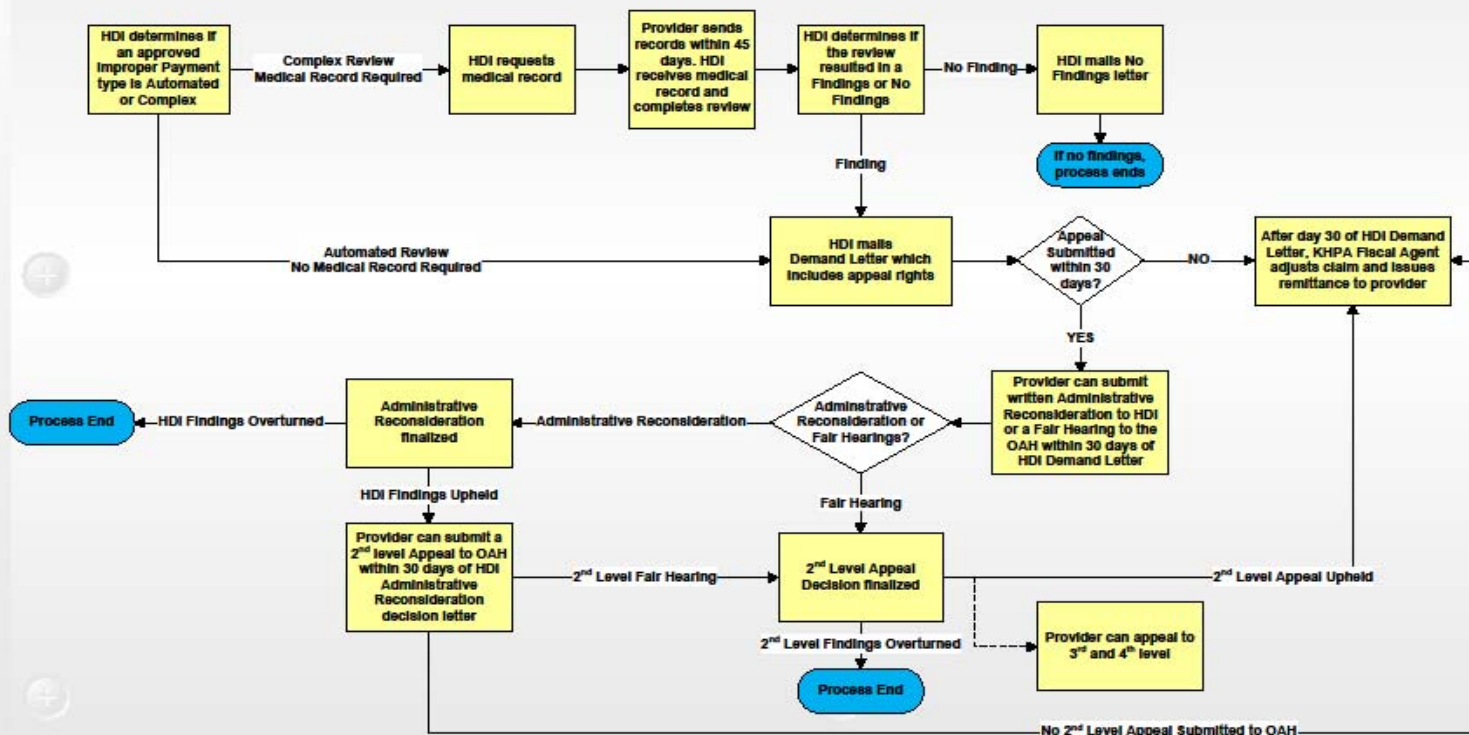
- After provider receives Demand letter from HDI
- Incoming administrative reconsideration materials are received via fax or mail
- Additional materials submitted during period are carefully reconsidered by independent reviewer who was not involved in original improper payment determination
- RAC HDI decision is sent to provider in writing
- RAC HDI coordinates activity with KHPA or Claims Processing Contractor

Kansas Medicaid RAC Process

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KHPA RAC Process Provider Overview Summary



Contact Information

	HDI
Telephone:	(877) 401-3635
Email:	Medicaidracinfo.hdi@emailhdi.com
RAC website:	MedicaidRAC.healthdatainsights.com

Provider Contact Information

- Toll Free Number live for initial mailings from HDI
- RAC web-site launch date – June 2011
- HDI Provider Portal User Guides
- Knowledge Based Authentication (KBA)

HDI Provider Website KBA Login



Home

Provider Information

FAQ Contact Us Login

Knowledge Based Authentication

Please note:

Users are accessing a U.S. Government information system;
System usage may be monitored, recorded, and subject to audit;
Unauthorized use of the system is prohibited and subject to criminal and civil penalties;
Use of the system indicates consent to monitoring and recording;(Please click box to agree)

Provider Type

Part A facility

What is your Medicare ID Number?

Please type in the box below the claims paid amount listed on any claims with billed from date of: 11/7/2010

Paid Amount

Provider Sign In

User Name / Hospital Provider Identifier

Password / What is the letter identification number?

Please note:

Users are accessing a U.S. Government information system;
System usage may be monitored, recorded and subject to audit;
Unauthorized use of the system is prohibited and subject to criminal and civil penalties
Use of the system indicates consent to monitoring and recording;(Please click box to agree)

[Forgot your password?](#)

HDI Provider Website Login

hdi Home

Knowledge Based Authentication

Provider Sign In

Please note: CMS Sensitive Information. It requires special handling. (Please click box to expand)

Provider Type

Provider Identifier

Letter identification

Sensitive Information. It requires special handling. (Please click box to expand)

Provider Sign In

User Name / Hospital Provider Identifier

Password / What is the letter identification number?

[Forgot your password?](#)

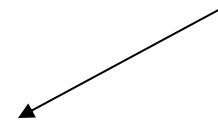
hdi
Health Data Insights
Claims Integrity Matters.™

HDI Provider Website Manage Contact Information

Manage Contact Information

	Address from Claims Processing Contractor	Contact to Receive Medical Record Request Letters	Contact to Receive Improper Payment Letters
Billing Provider #	[REDACTED]	[REDACTED]	[REDACTED]
Provider Name	[REDACTED]	[REDACTED]	[REDACTED]
Affiliation/Ownership		[REDACTED]	[REDACTED]
NPI			
Tax ID			
Contact Name		[REDACTED]	[REDACTED]
Title		[REDACTED]	[REDACTED]
Department		[REDACTED]	[REDACTED]
Address 1	[REDACTED]	[REDACTED]	[REDACTED]
Address 2		[REDACTED]	[REDACTED]
City	[REDACTED]	[REDACTED]	[REDACTED]
State	[REDACTED]	[REDACTED]	[REDACTED]
Zip	[REDACTED]	[REDACTED]	[REDACTED]
FAX		[REDACTED]	[REDACTED]
Phone		[REDACTED]	[REDACTED]
Extension			
Email		[REDACTED]	[REDACTED]
Previous Provider #			
		Edit	Edit
		Delete	Delete

Update Current Information



Website Users

[Add Web User](#)

We request up to 7 contacts, CEO, CFO, Compliance Officer, CMO, IT contact; including 2 additional staff of your choice listed above.

HDI Provider Website Medical Record Tracking





Additional Documentation Request Tracking

Please allow 7 business days for the receipt of a Medical Record to post. If it has been more than 7 days, please contact our Provider Services Department at

Additional Documentation Requests are available for viewing on the Provider Portal for 180 days from the date of the request, per CMS guidelines.

RAC Case ID	Medical Record Number	DOS From	DOS To	Documentation Requested	Documentation Received	Review Results Letter Sent
<input type="text"/> Y	<input type="text"/> Y	<input type="text"/> Y	<input type="text"/> Y	<input type="text"/> Y	<input type="text"/> Y	<input type="text"/> Y
No Records Requested.						

Kansas Medicaid RAC Medical Record Request Letter

	 State of Kansas Recovery Audit Contractor (RAC)
ADDITIONAL DOCUMENTATION REQUEST	
MM/DD/YY	
UNIVERSITY CENTER MARY SMITH, CORPORATE COMPLIANCE AUDITOR 1501 GENEJIC STREET BOX 123456 NOWHERE, AZ 12345	SAMPLE
<p>The Kansas Health Policy Authority has retained HealthDataInsights, Inc. (HDI) to carry out the Center for Medicare & Medicaid (CMS) Recovery Audit Contractor (RAC) program for the State of Kansas. The Medicaid RAC program is mandated by the Social Security Protection and Affordable Care Act and the State of Kansas and is aimed at identifying Medicaid improper payments under the Medicaid and Children's Health Insurance Program (CHIP) (Medicaid).</p> <p><i>Per Executive Reorganization Order (ERO) No. 38 issued by Governor Sam Brownback, the Kansas Health Policy Authority (KHPA) is being renamed and will become the Kansas Department of Health and Environment, Division of Health Care Finance. Effective July 1, 2011, the Division of Health Care Finance (DHCF), as successor to KHPA, will continue to exercise any authority originally granted to KHPA. All correspondence from KHPA and its contractors will reflect the change to DHCF.</i></p> <p>This notice is to request documentation for the claims listed on the attached Pull List. This request is in accordance with 42 CFR, Sec. 431107 (a) and (b) and your provider agreement. This request is in compliance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, which allows release of information without explicit patient consent for treatment, payment and health care operations.</p> <p>HDI Data Analysis of Medicaid data for the State of Kansas identified claims at risk of improper payment based on DRO violation and/or medical necessity requirements. For the attached list of claim(s), submit the listed medical records to support the DRO coding and to support the medical necessity of your billed claim(s).</p> <p>All documentation should be submitted to the address or fax number below within 45 days of the date of this notice. Your response is required even if you are unable to locate the requested documentation. If the requested information is not received within 45 calendar days of the date of this letter, a recoupment of all dollars paid to you for the beneficiary(ies) and claim(s) on the attached Pull List will be initiated. If you are unable to submit the information within 45 calendar days of the date of this letter, please contact HDI at 866-875-1749.</p> <p>You may submit this documentation by postal mail, via fax or as images on CD/DVD. Documentation can be sent via:</p> <p>Mail: HealthDataInsights, Inc. HDI Healthcare Management Team 7501 Trinity Peak - Mail Stop 26 M Las Vegas, NV 89128</p> <p>Fax: (702) 240-8883</p> <p>Requirements for submitting imaged documentation: on CD or DVD can be found at www.MedicaidRACwithHDI@EmailHDI.com</p>	
<small>Official Document - Letter Form - Page 1</small>	
<small>Confidential © Health Data Insights, Inc. 2010</small>	

Kansas Medicaid RAC Demand Letter



DEMAND LETTER

GERBER SERVICE
P.O. BOX 345007
TOLL, CA 90310-3457

Re: GERBER SERVICE #444444

SAMPLE

Dear State of Kansas Medicaid Provider,

The Kansas Health Policy Authority has retained HealthDataInsights, Inc. (HDI) to carry out the Recovery Audit Contracting (RAC) program for the State of Kansas. The Medicaid RAC program is mandated by the federal Patient Protection and Affordable Care Act and the State of Kansas and is aimed at identifying Medicaid improper payments under the Medicaid and Children's Health Insurance Program (CHIP) programs ("Medicaid").

Per Executive Reorganization Order (ERO) No. 38 issued by Governor Sam Brownback, the Kansas Health Policy Authority (KHPA) is being renamed and will become the Kansas Department of Health and Environment, Division of Health Care Finance. Effective July 1, 2011, the Division of Health Care Finance (DHCF), as successor to KHPA, will continue to exercise any authority originally granted to KHPA. All correspondence from KHPA and its contractors will reflect the change to DHCF.

This letter is to notify you that data analysis of Medicaid claims data done by HDI has identified Medicaid claims with improper payments. The overpayment to you is more fully identified and described on the attached AUDIT DETAIL.

If you disagree with the findings as indicated, you may request either an administrative reconsideration or a fair hearing. It is recommended that you first request an administrative reconsideration as an informal attempt to reconcile questions you may have about this review. The fair hearing is a more formal proceeding conducted by an officer outside Kansas Medicaid. You are not required to request reconsideration but it is an option you should consider.

Administrative Reconsideration

Administrative Reconsideration is an optional pre-hearing review procedure under Kansas Administrative Regulation (K.A.R.) 30-7-49. If you wish to have an administrative reconsideration, your written request must be submitted to HDI within (30) calendar days of the date of this letter. Your letter must address the specific findings you wish reconsidered and your reasons along with any relevant documentation for such reconsideration. Please send the request for administrative reconsideration to HDI at the address below:

Health Data Insights, Inc.
HDI HealthCare Management Team
7501 Trinity Peak, Mail Stop 26
Las Vegas, NV 89128
Fax: (702) 240-5583



Questions?