

**VAN BUREN COMMUNITY MENTAL HEALTH AUTHORITY  
POLICIES & PROCEDURES**

**Title:** Payor Audits  
**Originated:** 02/09/10

**Number:** I.31  
**Approved By:** Executive Team

**POLICY:** All requests for records or other correspondence from any external contractor, auditor, or third party payor received anywhere in the agency will be immediately directed (within one business day and prior to releasing any information) to the Compliance Officer.

**DEFINITIONS:**

Information: Any and all verbal or written information pertaining to the agency or the customers for payment purposes.

Payor: Medicaid, Medicare, or any other third party payor

Internal Review Team (IRT): The team of staff, etc. identified to assist with reviewing and preparing audit documents.

**PROCEDURES:**

**If The Payor Intends To Do An Off-Site Desk Audit:**

1. The Corporate Compliance Officer (CCO) will review the request and coordinate with the program manager(s) or director(s), the compliance attorney, or other staff as applicable and appropriate e.g., Internal Review Team (IRT), whose records are being requested.
2. The CCO will review to determine the scope and magnitude of the request. The CCO will determine what the next steps are to meet the request of the Payor and minimize the risk to the Agency.
3. A timeline for completion of the internal audit will be established by the CCO at least one week prior to the submission date by which copies of the records must be returned to the requesting Payor contractor.
4. The Compliance Officer will prepare a form to be completed by each team for each record reviewed that lists all documents required by the Payor contractor (Payor Form). These forms will be distributed to the IRTs.
5. The IRTs will schedule times where they can meet and review records together. The purpose of the dual review is to ensure that there is a witness to the preparation of the documents and that there is no opportunity to modify, add to, or "fix" records.
6. The IRTs will complete the Payor Form for each record reviewed and will attach copies of requested documents from the medical record. In cases where the IRTs believe that there are additional documents that should be submitted with the Payor request that will clarify or support the claims made for services, they should list these separately on the Payor Form, explain why they believe the additional documents should be submitted, and attach copies of the documents.
7. A summary of the internal audit findings will be reviewed by the Compliance Committee.
8. A copy of all documentation submitted and work papers will be kept by the Compliance Officer.
9. The Compliance Officer will be responsible for mailing the submission to the Payor. The submission will be mailed overnight with either a return receipt or tracking method.

**If The Payor Intends To Do An On-Site Audit:**

If the Payor in its correspondence states its intention to do an on-site audit and lists the medical records that will be reviewed, Steps 1-5 above will be followed to prepare the medical records for review/audit. If the Payor does not list the records, the Compliance Officer will prepare the information described below under "Preparation for Potential Payor Questions" at least one week prior to the scheduled visit.

**Preparation for Potential Payor Questions:**

The Compliance Officer will prepare, in anticipation of a Payor review or audit, answers to a list of possible Payor questions.

Questions:

1. Average annual Payor billing? For what types of services?
2. Describe your compliance program. How does it assist staff with answering billing questions? How does the compliance program monitor compliance with billing and documentation regulations?
3. How do you access the most current set of regulations? Who has access to this information? How often are updates usually made to the regulations? How do you inform staff about these changes?
4. Have you been subjected to an external audit previously? By whom? What were the results? (The Compliance Officer and Committee should have available and should review any and all Corrective Action Plans submitted post-audit to the payor or auditor. Have all actions been implemented? Are they working to eliminate or reduce risk? How do you know? )
5. Have you had to pay back money? How much? (The Compliance Officer and committee should be able to distinguish between self-disclosure paybacks and requests for payback made by outside auditors.)
6. What internal auditing and monitoring is done? Of claims? Of documentation? How do you review the medical necessity of claims?
7. When was your last annual compliance training done? How do you track attendance?
8. Are you required to be in compliance with the Deficit Reduction Act requirements for compliance training and program development? What documentation do you have that proves that you have complied with these requirements?
9. Other questions that the Compliance Committee feels are important to be prepared ahead of a visit. These may include more extensive answers where there are past audit findings, negative publicity, poor accreditation reviews or limits placed on licensing by oversight agencies.

**Procedures for On-Site Reviews:**

At the time of the on-site audit/review, the Compliance Officer will be prepared to greet the auditors and direct them to a conference room or other area where they can examine medical records.

The Compliance Officer or designee will request that they be allowed to stay with the Payor audit staff while they are reviewing records in order to answer questions, provide clarification, etc. (In many cases this request will be refused.)

If the Compliance Officer or others are allowed to stay during the audit or review of records, they should document each record reviewed, any questions asked and answered, and any relevant comments made by the Payor audit staff, and should request that they be allowed to make a copy of any copies of documents made by the Payor audit staff during the review.

If the request to monitor the audit process is refused, the Compliance Officer will ask the Payor audit staff how they want to request and review records. Do they want to be trained on how to use the audit functions within the EMR, etc? Based on the answers, the Compliance Officer will provide support, training, or will organize delivery of copies or the paper records. Care should be taken to limit Payor auditors to the specific information requested.

If the Compliance Officer or other staff are interviewed by Payor audit staff, they may be required to record detailed documentation of questions, answers, and comments.

**Post-Visit Procedures:**

1. After the on-site visit by the Payor audit staff, the Compliance Officer and whomever he/she deems as appropriate will review:
  - the documentation of the on-site audit results;
  - any and all documentation of staff interviews; and
  - copies of documents made and taken by the Payor's (if known).

The Compliance Officer will determine what steps need to be taken to review all medical records that were reviewed by the Payor audit staff. These reviews will be completed within one week and will describe any and all deficiencies found that might result in a negative audit finding.

The results of the reviews will be compiled by the Compliance Officer and reviewed by the Compliance Committee and any other appropriate staff. A copy of all results will be kept in the Compliance Office files for use in any appeals process.

The Compliance Officer will also confirm the required steps and time frames needed to appeal any audit findings.

2. Any additional questions or correspondence from the Payor during the period between the site visit or submission of requested records and the receipt of the draft audit findings shall be directed immediately to the Compliance Officer. The Compliance Officer shall consult with counsel and/or the CEO prior to any subsequent submission of documents or additional information.
3. Upon receipt of the draft audit findings by the Payor, the Compliance Officer will consult with counsel and/or CEO in order to review the findings and to develop a strategy for developing an appeal to the findings if necessary.
4. The Compliance Officer will be responsible for managing the appeals process.

**Post Appeal Process:**

1. The Compliance Officer will review the Payor findings and develop any corrective actions plans that should be taken to reduce audit risk. Any corrective action plan will be shared with the Compliance Committee and the CEO.
2. Corrective actions will be incorporated into the annual work plan of the Compliance Committee.