To: All Providers

Subject: Audit Issues from Surveillance and Utilization Review

Overview

This bulletin addresses issues associated with recent retrospective audits by the Surveillance and Utilization Review (SUR) department of Health Care Excel (HCE). The following topics are discussed in this bulletin:

- Audit authority of HCE
- Billing members for covered services
- Acute care hospitals and providers – utilization issues
- Documentation Issues

Audit Authority

SUR authority rests with the Office of Medicaid Policy and Planning (OMPP). Health Care Excel was selected by OMPP to serve as its SUR contractor for the Indiana Health Coverage Programs (IHCP). Effective January 1, 1999, HCE assumed operations responsibility for performing the business functions associated with medical policy, review of requests for prior authorization (PA), and surveillance and utilization review (SUR). Please refer to Indiana Medicaid Transition Newsletter T98-01.

Billing Members for Covered Services

The SUR department continues to receive complaints from enrolled members who have been billed for services they believe should be paid by IHCP. During the month of October 2001, 46 percent of the calls received were related to balanced billing of IHCP members. Please refer to the Indiana Health Coverage Programs 1999.
Provider Manual, Chapter 4, and bulletin BT200126 for the only times permissible to bill an enrolled member.

Acute Care Hospitals and Providers – Utilization Issues

The SUR department has identified significant utilization concerns related to errors in assignment of patient status codes, resulting in claim overpayments. This problem is associated primarily with claims for newborns who have multiple problems, and subsequently have been transferred to facilities equipped with neonatal or other specialized units.

Special payment policies apply to transfer cases that are paid using the DRG methodology. The receiving hospital, or transferee hospital, is paid according to the DRG or LOC methodology, whichever is applicable. Transferring hospitals are reimbursed a DRG pro-rated daily rate for each day, not to exceed the full DRG amount.

To ensure appropriate reimbursement, the discharge status codes of either 02 or 05 must be placed in form locator 22 of the UB-92 claim form as follows:

• 02 – Discharge or transfer to another short-term hospital for inpatient care
• 05 – Discharge or transfer to another type of institution for inpatient care

All transfers are subject to retrospective review. Specific instructions for billing transfers can be found in Chapter 8 of the Indiana Health Coverage Programs Provider Manual.

Claims have been identified for providers throughout the state that have received overpayments related to patient status code errors. The SUR department is conducting reviews of these providers to recoup the overpayments. If a provider identifies overpayments related to such errors, they may contact the SUR department to arrange repayment of the inappropriately reimbursed monies. We appreciate all contacts to facilitate this process.

Inadequate Documentation Issues

The SUR department has identified inadequate documentation issues that should be improved by providers to ensure the integrity of the medical or service record from both a legal and patient care perspective.

Abbreviations List

If a provider chooses to utilize abbreviations in clinical documentation, a list defining those abbreviations should be maintained. This type of list will be requested during a SUR retrospective review. Maintaining a current list of standard abbreviations allows
the provider to ensure that all users of the patient record clearly understand the content of the documentation. This also allows accurate interpretation of the record by third parties in legal or reimbursement review, and decrease the likelihood of costly clinical errors that may result from misinterpretation.

**List of Personnel and Signatures**

It is recommended that a signature list of all personnel who document records should be maintained and updated regularly.

**Member Name**

Documentation has been found inadvertently placed in the wrong member’s medical record. The IHCP member’s name should be documented on each page of the service record to avoid such errors. In addition, if a page should become separated from the patient file, a patient name is essential to ensure that such documentation is returned to the correct record.

**Additional Information**

Questions about this bulletin should be directed to the Health Care Excel Surveillance and Utilization Review department at 1-800-457-4515 or (317) 347-4527. Thank you for your cooperation.