

MCP Audit Newsletter

October 2006

06-07

TO: ALL FEE-FOR-SERVICE PHYSICIANS

New Audit Process to be Piloted Claims Monitoring System

In an effort to ensure that physicians are continuously aware of the elements required to substantiate billings to the Medical Care Plan (MCP) and thereby reduce the incidence of comprehensive audits, the Claims Monitoring System (CMS) will be introduced November 16, 2006. CMS is an automated claim selection mechanism designed to continuously monitor the accuracy of claims billed to MCP, primarily by examination of service documentation and comparison to the requirements as set out in the MCP Payment Schedule. This system will apply to all fee-for-service physicians.

Claims will be randomly sampled at regular intervals and records will be requested from the physician. At the same time, patients will be written for verification of services. If, upon review of the submitted data, a service is not substantiated, there will be an action taken (adjustment in fee or recovery of fee) and the physician will be notified. This notification will include an educational component to assist in future service documentation. An unsubstantiated claim will be tracked by the CMS and the physician can expect a request for additional records of service for the unsubstantiated fee code. This process will continue until the services are substantiated or other appropriate action is indicated.

The CMS was developed following the final report of the Joint Department of Health & Community Services / Newfoundland & Labrador Medical Association Audit Review Committee which concluded its work in January, 2003. The Committee felt that the focus of audits should involve assisting physicians, through education and feedback, in how to comply with the MCP Payment Schedule requirements.

The CMS concept was presented to the Newfoundland & Labrador Medical Association for their consideration and it was agreed that this new system would be implemented as a pilot project, the findings of which would be evaluated on before permanent implementation.

The CMS promises, through continuous, current feedback/communication, to address physicians' billing requirements while ensuring accountability of public funds.

The attached flow charts outline the process in general.

Flow Chart # 1 provides an overview of the system which includes 2 programs – the Verification Program and the Compliance Program.

Flow Chart # 2 provides details on the Verification Program which has two stages – VP1 and VP2. VP1 is a monthly process whereby all physicians are required to submit one record of service for review to the Audit Services Division. VP2 is a quarterly process for all physicians who have demonstrated good record keeping practices by submitting acceptable records in VP1 for three consecutive months.

For purposes of the pilot project, the normal monthly requirement to submit one record per physician (VP1) has been lifted in favour of a requirement to submit one record every three months (VP2). This will allow for a gradual introduction of the program and allow for better assessment of the results by both the Department and the Association.

Flow Chart # 3 provides details on the Compliance Program which has four progressive stages with increasing numbers of record requests for recurrent non-compliance with billing requirements. Physicians who remain in the Compliance Program for an extended time frame may be subject to a Comprehensive Audit.

BENEFITS OF CMS

- ▶ The CMS is an extension of the claims assessment function.
- ▶ It will not be an administrative burden to physicians as the sample sizes are small and no extrapolation is involved.
- ▶ The CMS involves adjustments versus recoveries as claims are assessed based upon the physician-provided record prior to payment.
- ▶ Every opportunity is afforded to physicians to correct misbillings, and requests for records will decrease over time as services are properly documented.
- ▶ It is anticipated that the number of comprehensive audits will decrease through ongoing education in proper record documentation procedures.

INFORMATION REGARDING RECORDS OF SERVICE

Record Requests

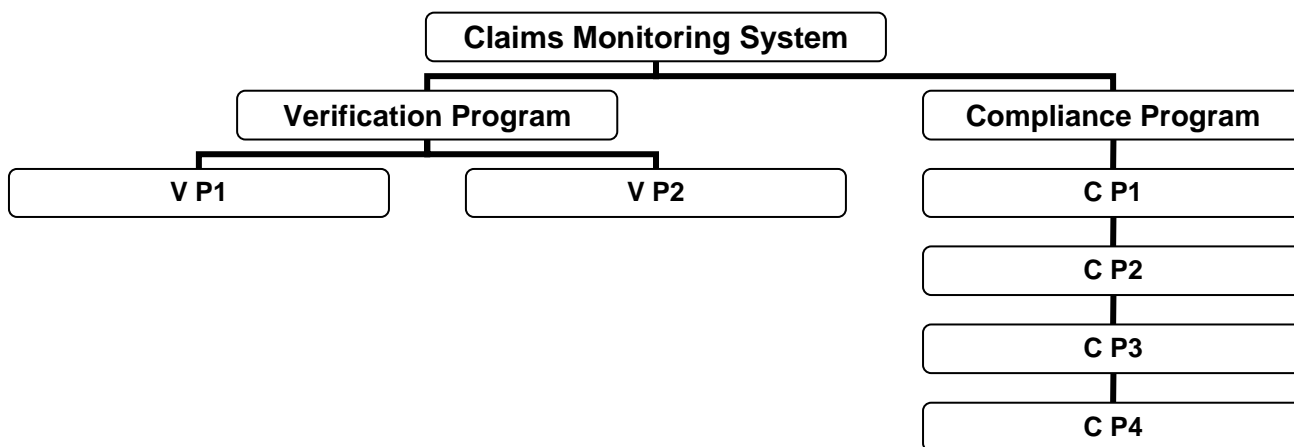
With regard to sensitive patient care information, the following points should be considered:

- Photocopies of records pertaining to specific services may be requested but only that information which documents and substantiates the billing is required to be submitted.
- Certain services which are likely to contain more sensitive personal information than others may be sent directly to the Medical Consultant, Dr. Blair Fleming, for his review.

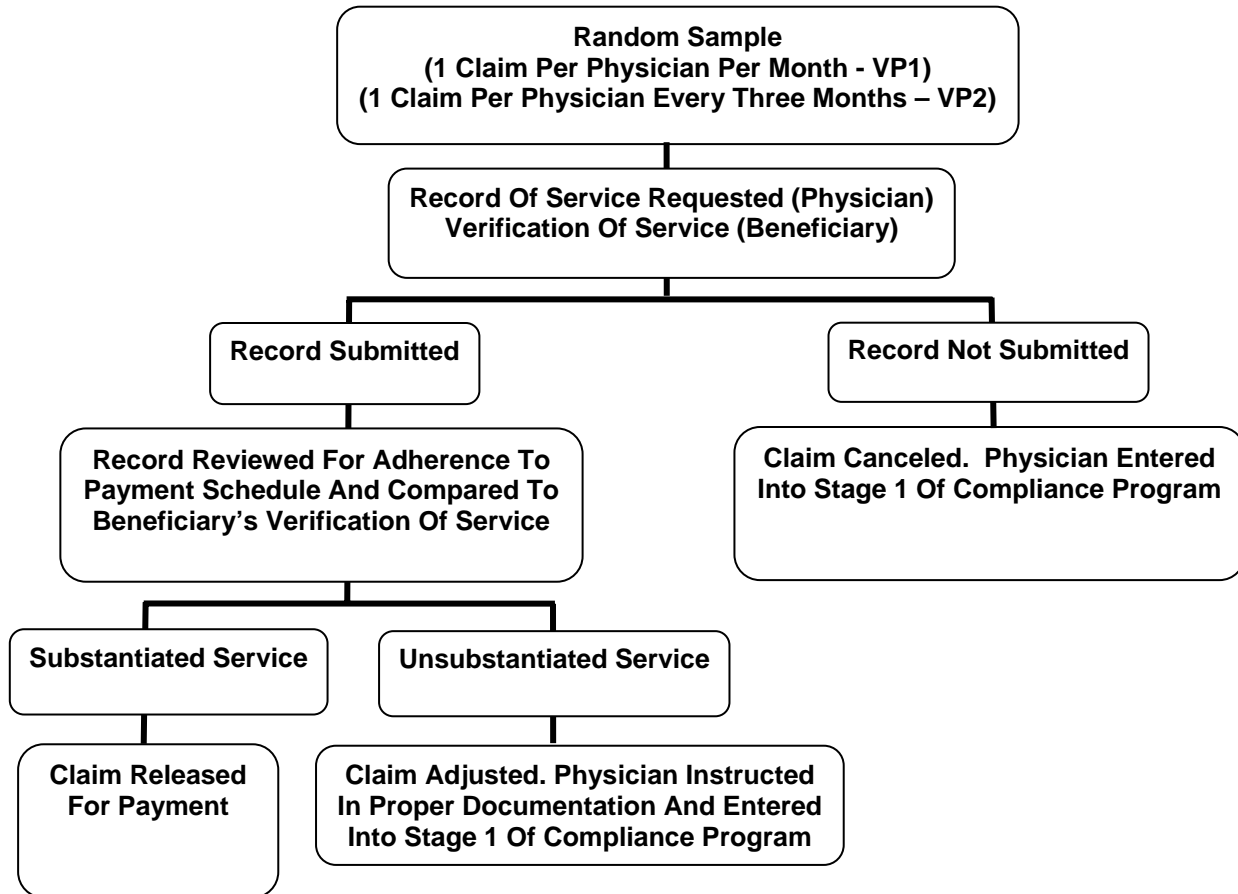
Instances where physicians fail to comply with requests for records within clearly prescribed time limits without reasonable explanation, will result in claims deemed to be unsubstantiated.

Attached is a Claims Monitoring System (CMS) Q & A which will hopefully address some of the questions you may have about this new system.

Flow Chart # 1 Compliance Monitoring System



Flow Chart # 2 Verification Program



Flow Chart # 3 Compliance Program

