

Documenting Eligibility for O&P Reimbursement: What Could Possibly Go Wrong?

presented by

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It turns out that a lot can go wrong and that a lot does go wrong

- Document medical necessity
- Gather supporting information and documents
- Submit claim
- Receive payment
- Submit documentation for audit
- Simple....but....

There is an appallingly high rate of improper payments

- Post-payment audit by CMS determines that the payment should not have been made
- Results of CERT audits published annually
- For the 2015 Report period
 - 39.9% improper payment rate for DMEPOS
 - \$3.2 billion projected improper payments

Some O&P Specific Improper Payment Rates

- 40% is for DMEPOS overall
- Diabetic shoes 66% improper payment rate
- LSO's 51.6% improper payment rate
- Lower Limb Orthoses 46.3% improper payment rate
- Lower Limb Prostheses 23.7% improper payment rate
- Underpayments almost universally less than 1%!

Some perspective

- If your local power utility was as successful delivering power to you as providers are submitting claims for diabetic shoes....
- You would have power for just 124 days a year!
- And by the way the worst States for improper DMEPOS payments (>50%) are: ND, NM, OK, GA, TN, OH, PA, MA, CT, RI, and VT

The overwhelming reason for improper payments is inadequate documentation

- Inadequate documentation
 - DMEPOS 88.1%
 - Diabetic shoes 90.3%
 - LSO 79.1%
 - LLO 87.3%
 - LL Prostheses 90.5%
- Coding errors
 - DMEPOS 0.8%
 - Diabetic shoes 0%
 - LSO 0%
 - LLO 0%
 - LL Prostheses 0.4%
- Medical necessity
 - DMEPOS 1.9%
 - Diabetic shoes 0.1%
 - LSO 1.2%
 - LLO 2.9%
 - LL Prostheses 0%

There seems to be a question about medical necessity

- CERT numbers suggest medical necessity is not a problem
- Service Specific Pre-Pay Reviews
 - Item specific and conducted by DME MAC's
 - Noridian published results for 18 different items and top four denial reasons for each item:
 - No response to Additional Documentation Request
 - Incomplete or missing documents especially the DWO and POD
 - Lack of documentation or detail supporting medical need

Knee Orthosis L1833

- Knee orthosis, adjustable knee joints (unicentric or polycentric), positional orthosis, rigid support, prefabricated, off-the shelf
- 511 Claims reviewed, 462 denied – 92% improper payment rate
- Top denial reasons
 - Documentation does not support knee instability.
 - Documentation was not received in response to the Additional Documentation Request (ADR) letter.
 - Proof of Delivery (POD) is incomplete or missing elements.
 - Internal Classification of Diseases (ICD) 10 code was missing or invalid

Diabetic shoes

- Recall CERT Improper payment rate 90% due to insufficient/missing documentation
 - The Statement of Certifying Physician for Therapeutic Shoes was not signed within 3 months of delivery of the shoes
 - No record of the in-person evaluation of the beneficiary by the supplier when the billed items were selected
 - No record of an examination by the physician treating the beneficiary diabetes within six months prior to delivery
 - A physicians documented physical exam did not support the providers evaluation or the statements made in The Statement of Certifying Physician for Therapeutic Shoes

To summarize the findings

- Overwhelming evidence that inadequate documentation is the principal contributor to Improper Payments
- Improper payments are at extremely high levels that should be unacceptable in a business.
- Inadequate means anything from documents missing entirely or documents that have expired, to incomplete documents.

So why the problems with documentation?

- Good news
 - There are lots of sources that describe what you need for your documentation
 - Supplier manuals, IOM, LCD's
 - Lots of different databases: NPI, PECOS, PDAC, HCPCS, Diagnosis Codes, Medicare Fee Schedules
- Bad news
 - Lots of sources scattered around different web sites and in different formats

Local Coverage Determinations

- Items have category and item specific documentation requirements
- Category specific requirements usually available in the IOM and Supplier Manuals
- Item specific requirements from LCD's
- LCD's have an accompanying Policy Article

LCD's are challenging

- Contain medical necessity and documentation requirements
- But...
 - Hard to read, digest and understand
 - Contain boiler plate statements that may or may not be applicable
 - No consistent document structure for headings, subheadings, etc
 - Only beginning to have page numbers
 - May or may not have diagnosis codes that support medical necessity
- Require very careful reading and thorough understanding

Read every word carefully!

- The LCD for Cervical Traction Devices states
 - “Cervical traction devices (E0840-E0855 and E0860) are covered only if both of the following criteria are met: “
 - followed by several criteria.
- But a little further down the LCD states:
 - “Cervical traction applied via attachment to a headboard (E0840) or a free-standing frame (E0850) has no proven clinical advantage compared to cervical traction applied via an over-the-door mechanism (E0860). If an E0840 or E0850 is ordered, it will be denied as not reasonable and necessary.”

A perspective on the documentation situation

- Dr. Atul Gawande, “The Checklist Manifesto: How to Get Things Right”
- “... every day there is more and more to manage and get right and learn. And defeat under conditions of complexity occurs far more often despite great effort rather than from a lack of it.”
- And while providers have access to a tremendous amount of information and have extensive experience in their field “... avoidable failures are common and persistent, not to mention demoralizing and frustrating, across many fields – from medicine to finance, business to government.”

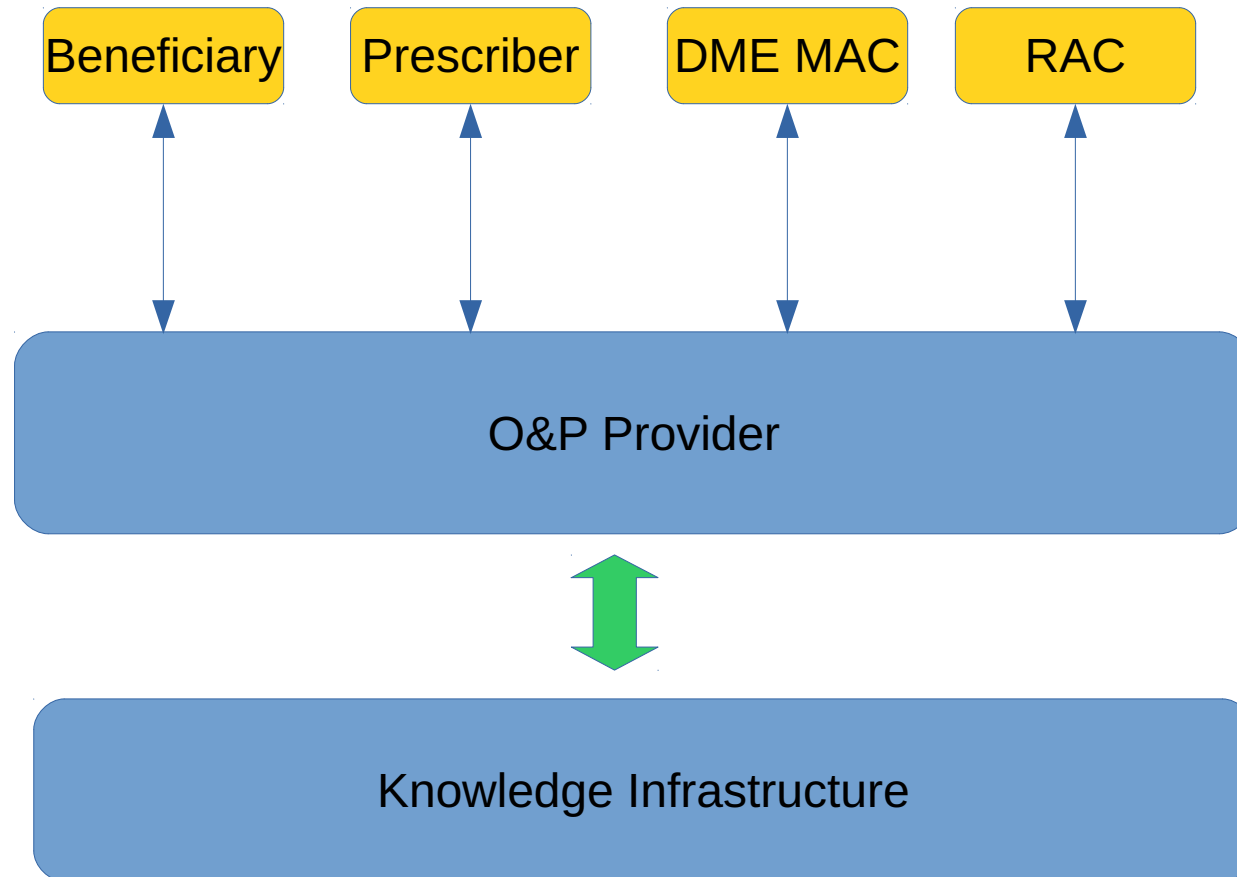
Three root causes

- There is a vast amount of distributed knowledge that must be considered and incorporated into the documentation
- The complexity and repetitive nature of the requirements easily leads to simple inadvertent but avoidable errors
- There is a need for better communications between all parties – providers, prescribers, DME MAC's, RAC's

Some solutions to improve documentation

- The problems are not uncommon in other types of business – medicine, construction, transportation
- Incorporate business processes that are repeatable, managed and measured
- Use checklists to overcome the flood of knowledge simple human error and oversight, and to encourage communication

Consider the documentation process

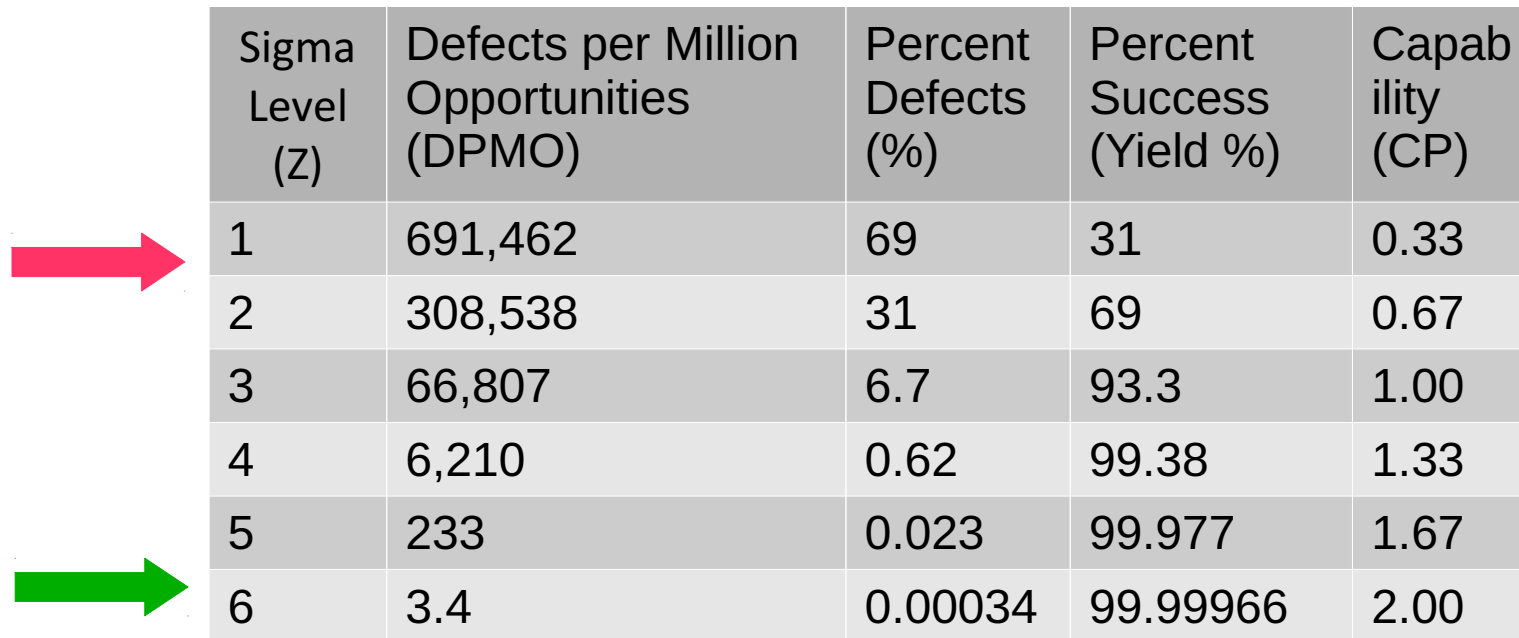


- Identify the documentation workf needed to satisfy “customer” needs and the way that you perform the work. Identify inefficiencies and redundancies.

Process management and improvement

- Identify each of the steps
- Identify what is taking time
- Identify inefficiencies
- Seek opportunities to eliminate or improve steps
- Possibly automate

Six-sigma is a widely used quality measure



Sigma Level (Z)	Defects per Million Opportunities (DPMO)	Percent Defects (%)	Percent Success (Yield %)	Capability (CP)
1	691,462	69	31	0.33
2	308,538	31	69	0.67
3	66,807	6.7	93.3	1.00
4	6,210	0.62	99.38	1.33
5	233	0.023	99.977	1.67
6	3.4	0.00034	99.99966	2.00

- The Six Sigma scale shows how well a vital feature performs compared to its requirements
- The higher the sigma score, the more efficient the feature is

Use checklists to improve your processes

- Checklists address
 - The vast and complex knowledge base of rules and regulations
 - Inadvertent and preventable errors that arise from simple mistakes and distractions
 - Poor communications between parties

Checklists protect against elementary errors

- Faulty memory and distraction are a particular danger especially for mundane tasks especially when there are more pressing events
- Engineers refer to this as an all-or-none process
 - If you miss just one key thing, you may not have bothered at all
- Checklists remind us of the minimum necessary steps and make them explicit
- They offer the possibility of verification and instill a kind of discipline of higher performance
- They improve your process!

Checklists are widely used

- Aviation industry – is it done and what to do
 - Really the “inventors” back in the 1930's when aircraft started to become complex
 - Who would fly on a plane today without a checklist being performed?
- Construction – what is done, is it done, and communication
 - Think building codes, permits, inspectors
 - Annual avoidable building failure rate is 0.00002%
 - This is 2 failures per million (better than Six-sigma)
 - Checklist are used to ensure communication between different building disciplines

Checklists in healthcare

- Pioneering use of checklists at Johns Hopkins Hospital to reduce infections arising from tubes
- Simple checklist of five obvious steps that should be taken when changing tubes
- 30% of practitioners skipped at least one step when observed
- Using the checklist as standard practice
 - 10 day infection rates dropped from 11% to zero
 - 43 infections and eight deaths prevented over 15 months
 - \$2m cost savings

Another healthcare example

- The World Health Organization (WHO) has developed a 19-point surgery checklist that is being rolled out world wide to improve surgical outcomes
- Developed for use in developed and under- developed parts of the world
- Demonstrates incredible success using a low-tech, low-cost solution, in a highly complex environment
- Checklists are quick and simple tools aimed to buttress the skilled professionals

Using checklists for O&P and DME documentation

- There are essentially two types of checklists
 - Describe what has to be done and checked off as it is done
 - Confirm something has been done after the fact
- Translates documentation knowledge and information from many sources into a simple, usable and systematic form
- Overcomes the fallibility of human attention and distraction
- Ensures that all the correct actions are taken and that effective communication occurs

Using checklists for documentation

- Manage knowledge
 - Checklists for the documentation that is needed for a particular item and event
- Avoid distraction and preventable errors
 - Checklist that a document contains all the necessary information and that it is valid
- Communication with prescribers
 - Checklist that the medical records documents the medical eligibility

Checklists for the documentation that is needed

- Do you have documentation needed for the situation and item?
- O&P items are fairly straight forward
 - Purchase, Change in Medical Condition, Use for Repair, Replacement due to Loss or Damage, Beyond RUL Replacement
- Minimum documentation “usually” includes
 - Verbal or written order, Detailed Writtem Order, Proof of Delivery
- Addition documentation may include
 - STS, documentation of a repair, proof of a loss, continued need and use, and an Advanced Beneficiary Notice (ABN)

Checklists for information contained in a document

- Is the information complete?
 - Is the document signed and dated?
 - Does the item need modifiers?
- Is the information valid?
 - Is the signature valid? (There are 14 scenarios for this!)
 - Are the dates chronologically valid?
- These checklists catch preventable errors due to distraction and inattention to detail

Checklists for communication

- Ensure that all parties are communicating in a timely and effective manner
- Especially useful for working with prescribers
 - Frequently unaware of the specific medical conditions they must have documented in their records
 - Checklists also help educate
 - Clear understandable checklists improve referrals because they make it easy
- Responding to audit requests

Example checklist for L1832 documentation

2 Select actions

Select the reason(s) you need documents for these products

- | | | |
|-------------------------------------|---|-------|
| <input type="checkbox"/> | Optional ABN for Possible Non Coverage | L1843 |
| <input checked="" type="checkbox"/> | Purchase | L1843 |
| <input type="checkbox"/> | Change in Medical Condition | L1843 |
| <input type="checkbox"/> | Use for Repair | L1843 |
| <input type="checkbox"/> | Replacement Due to Loss or Damage | L1843 |
| <input type="checkbox"/> | Beyond Reasonable Useful Lifetime Replacement | L1843 |

3 The following documents are usually needed for the products and events that you have chosen.

You may un-select any you do not wish to include in the documentation package.

- | | | |
|-------------------------------------|------------------------|-------|
| <input checked="" type="checkbox"/> | Assignment of Benefits | |
| <input checked="" type="checkbox"/> | Dispensing Order | L1843 |
| <input checked="" type="checkbox"/> | Detailed Written Order | L1843 |
| <input checked="" type="checkbox"/> | MNF for Knee Orthoses | L1843 |
| <input checked="" type="checkbox"/> | Provider Documentation | L1843 |
| <input checked="" type="checkbox"/> | SOAP Notes | L1843 |
| <input checked="" type="checkbox"/> | Proof of Delivery | L1843 |

Example medical necessity checklist for L1843

Check the statements that are true in either of the two groups below, and supply the details as necessary:

- 1. The beneficiary is ambulatory
- 2. The beneficiary has had recent injury to, or a surgical procedure on, the knee(s)
and,
- 3. The beneficiary has one of the diagnoses in Group 2 or Group 4 in the Local Coverage Determination for Knee Orthoses
Complete diagnosis code: _____

or,

- 1. The beneficiary is ambulatory
and,
- 2. The beneficiary has knee instability due to one of the diagnoses in Group 4 in the Local Coverage Determination for Knee Orthoses
Complete diagnosis code: _____
and,
 a. The knee instability was documented by examination using an objective test (e.g., Drawer test)
and,
 b. The following objective description of joint laxity was recorded: (check all that apply)
 - 1. Varus/valgus instability
 - 2. Anterior/posterior Drawer test
 - 3. Other: _____

Some conclusions

- Documentation errors are rampant and the leading cause of improper payments
- The errors are partly due to the challenge of digesting and complying with complex documentation requirements and tedious documentation tasks
- Follow the lead of other businesses and identify and improve your process process for handling documentation
- Use checklists to improve your process
 - They are simple and demonstrably effective

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