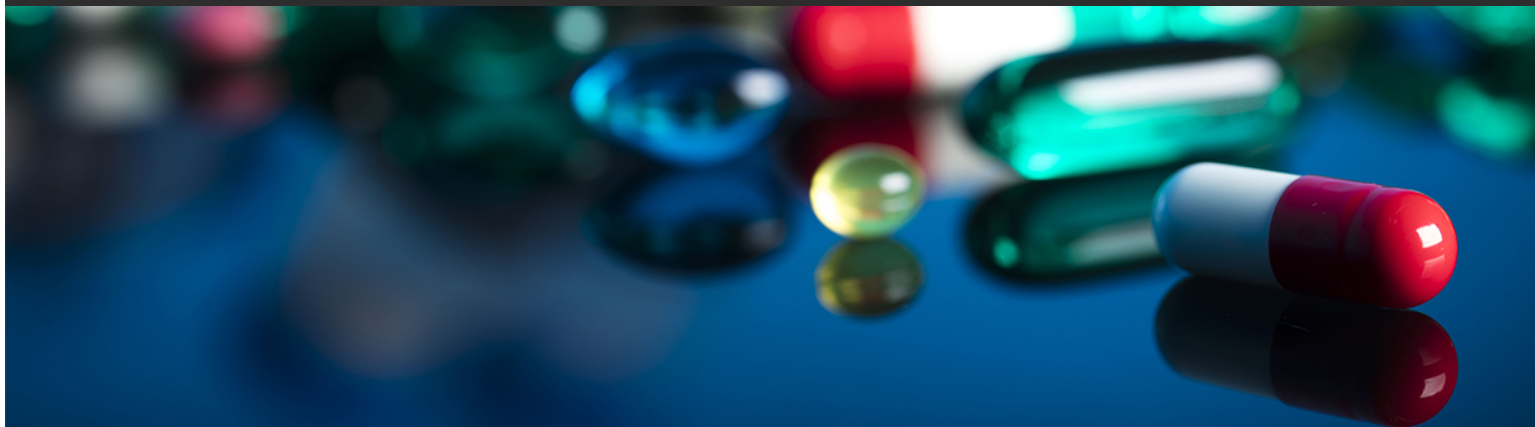


Alert | Health Care & FDA Practice



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Home Health Pre-Claim Review Returns: What Providers Need to Know to Prepare

On May 31, 2018, the Centers for Medicare & Medicaid Services (CMS) published a Notice in the Federal Register announcing its intention to resume the Pre-Claim Review Demonstration (PCRD) for Medicare-reimbursed home health services. The demonstration review process is intended to ensure that applicable coverage, payment, and coding rules are met before a final claim is submitted for Medicare payment. The demonstration is expected to begin by Oct. 1, 2018, and will continue for five years. CMS is accepting stakeholder comments on the proposal through July 30, 2018.

The demonstration program should be quite familiar to home health agencies (HHAs), particularly those in Illinois, as CMS previously implemented PCRD in Illinois in August 2016 before being forced to pause the demonstration in April 2017 after HHAs faced significant administrative burdens. The new demonstration program will be re-named the Review Choice Demonstration (RCD). HHAs should thoroughly understand how RCD works in order to minimize administrative burdens and prevent payment delays.

RCD will begin in Illinois, before expanding to Ohio and North Carolina, and later to Texas and Florida, before possibly expanding to other states under the MAC Palmetto/JM's jurisdiction. Specific dates for the rollout have yet to be released. CMS has expressed interest in expanding pre-claim review nationally, so HHAs in all states should be aware that RCD may be coming.

Key Demonstration Program Requirements

While RCD contains some notable differences from PCRD, the core of the demonstration remains the same. Under RCD, as in PCRD, HHAs are required to submit 100 percent of their claims to Medicare Administrative Contractors (MACs) for provisional affirmation of a patient's coverage eligibility for the Medicare home health benefit. Unlike PCRD, however, HHAs may instead elect to have the MAC perform a post-claim review. Claims submitted without pre-claim approval or post-payment review will automatically be reduced by 25 percent.

Under post-claim review, claims will be paid according to normal claim payment processes, but the MAC will conduct a complex medical review of claims submitted during a six-month interval to determine whether the home health service provider complied with applicable Medicare coverage and clinical documentation requirements.

While post-claim review offers HHAs an alternative to pre-claim approval, providers should carefully consider the potential drawbacks before electing the post-claim review process. Since the payment review process occurs after the patient's treatment record has been fully developed, providers may find their claims subject to "20/20 hindsight" by MACs. For example, if an HHA provides a patient with services for restorative therapy and the patient ultimately does not improve to the extent ideally desired, the MAC may inappropriately conclude that because the patient's condition did not improve, the services provided were unnecessary, and therefore did not meet criteria for payment. HHAs may appeal unfavorable claim determinations, but they should be aware that the average time for resolving such appeals is now averaging over a year.

Exemption

In response to past stakeholder feedback to PCRD, CMS is permitting HHAs obtaining an affirmation rate of 90 percent or greater after 10 claims to be exempt from standard RCD requirements. Instead, such HHAs will only be subject to "spot checks" of their Medicare claims.

Beyond this information, CMS has yet to release further details about the exemption standard. Questions awaiting answers include:

- Once an HHA satisfies the exemption standard, how long will the HHA remain eligible for exemption?
- How does CMS define "spot check"?
- What episodes of care qualify toward satisfying the exemption criteria?
- What appeals process will be made available to HHAs in order to qualify for exemption?
- How will the exemption standard align with HHA payment rules?

Because the exemption can relieve HHAs from significant administrative burdens, HHAs will want to make sure that they understand the exemption and satisfy all program requirements from CMS and the MAC. HHAs should carefully consider their present claims submission process with MACs. HHAs and their trade associations should also submit comments on criteria that CMS should include in the requirements for exemption.

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