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MACs Will Audit Five Claims at All SNFs; Reviews Identify Three Trends

By Nina Youngstrom

CMS said May 15 it will audit five claims from all skilled nursing facilities (SNFs) in a national prepayment review, according to a new Medicare transmittal (12,037).[1] The catalyst for the review was a significant increase in the SNF improper payment rate, which has almost doubled since CMS remodeled the SNF prospective payment system in 2020.

Although the emphasis seems to be on improving SNFs' understanding of compliant billing practices, "claims will be adjusted/denied if an improper payment is identified," CMS said. And Medicare administrative contractors (MACs) will "prioritize" SNFs that fail the audit for Targeted Probe and Educate (TPE) if SNFs are already "in their medical review strategy."

The SNF probe-and-educate review is one of at least three new program integrity initiatives. The other two are a less-burdensome version of TPE for smaller providers and suppliers unveiled at CMS's Provider Compliance Focus Group May 9[2] and a review choice demonstration for inpatient rehabilitation facility services in one state —Alabama—announced May 15.[3]

Because of the small sample size, the review won't be very enlightening for SNFs, said Olga Gross-Balzano, a senior manager at BerryDunn in Portland, Maine. "Five claims can't identify the state of compliance," she noted. The idea that one error translates to a 20% error rate is misleading. At the same time, SNFs with no errors in the sample shouldn't come away with "a false sense of security," Gross-Balzano said.

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