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Data Mining, Risk Ranking Helps Select Risks for Work Plan; 'The Universe Is So Big'

By Nina Youngstrom

Because three Medicare auditors—the HHS Office of Inspector General (OIG), the supplemental medical review contractor (SMRC) and Medicare administrative contractors (MACs)—have looked at epidural steroid injections, they seem like a good candidate for billing compliance work plans. But Penn Medicine wasn't making any assumptions without putting epidural steroid injections through a data-driven analysis to determine whether they warranted the time and resources of an audit, considering how many other risk areas may deserve attention.

"The tough part is the universe is so big," said Karen Smith, vice president and billing compliance officer at Penn Medicine, which includes University of Pennsylvania Health System and Perelman School of Medicine at the University of Pennsylvania. That's why Penn Medicine uses technology and data mining to create a "robust compliance plan," she said at HCCA's Compliance Institute April 14. But it's a challenge to "mimic some of the sophisticated data mining" used by program integrity contractors.

Complicating matters, risk areas are evolving, Smith said. For example, external auditors are focusing more on compliance with CMS's 350 national coverage determinations (NCDs) and 100 local coverage determinations (LCDs) in Penn Medicine's MAC jurisdiction, she said. "There's potential for large paybacks if providers don't have the documentation to support coverage criteria," Smith said.

For Penn Medicine's Office of Billing Compliance (OBC), the first step in the audit process is identifying the risks, said Amber Farkas, manager of government audit and appeals at Penn Medicine. There are many places to look for risks, including OIG, MACs with Targeted Probe and Educate (TPE) and other reviews, the SMRC, quality improvement organizations, Medicare recovery audit contractors (RACs), Veterans Administration RACs, Medicare Advantage (MA) auditors, state Medicaid contractors, and the Program for Evaluating Payment Patterns Electronic Report (PEPPER), although CMS has put PEPPER on a temporary pause "so we don't have PEPPER data after mid-2023 for now," Farkas said. "We also look at findings from prior internal reviews and new procedures and technologies, service lines, processes and applications in consultation with Penn Medicine leaders." And OBC uses a vendor application that intakes a daily feed of 837 (claim) and 835 (remittance) files for volumes, utilization and denials.

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