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How to project manage a successful risk adjustment data validation audit

By Ahmed Salim, JD, CHC, CHPC, CHFP and Palak Desai

Ahmed Salim (ahmed.salim@irhythmtech.com) is Director of Ethics and Compliance at iRhythm Technologies in Lincolnshire, IL, and **Palak Desai** (pdesai14@mail.depaul.edu) is a student at DePaul University College of Law in Chicago.

If you're a Medicare Advantage organization, there are few terms scarier than a Risk Adjustment Data Validation (RADV) audit from the Centers for Medicare & Medicaid Services (CMS). CMS routinely conducts two types of RADV audits:[1]

- "Annual [national-level] audits to estimate the national [Medicare Advantage] improper payment rate" and

- "Contract-level RADV audits to identify and recover improper payments from [Medicare Advantage] organizations."

Audits from CMS are both random and targeted and involve a great deal of cross-functional communication and support from a variety of departments within an organization. An RADV audit can last several months and can use a number of resources to be completed. To ensure RADV audit deadlines and goals are met, it is important that an organization project manage an RADV audit in order to provide clarity and structure to all stakeholders involved. Project management consists of the following:

1. Identification and appointment of a project manager,

2. Development of a project plan, and

3. Communication between stakeholders.

It is important to spend time organizing the management of your RADV audit prior to the start of it to help yield positive output from all stakeholders involved within your organization's RADV audit. It is equally important to identify all goals and deadlines to ensure success.

Identification and appointment of the project manager

The importance of a project manager can never be understated for audits that involve cross-functional team collaboration. A project manager's ability to effectively organize and manage an audit can help drive success and avoid negative outcomes due to miscommunication, missed deadlines, and process gaps. That being said, most organizations have limited resources when it comes to compliance and external audits. A designated project manager does not have to be a new hire, but instead can be an identified internal resource within your department or organization that has the dedicated time and skill set to help guide your organization to a successful RADV audit. An ideal project manager should have the following traits:

- Be knowledgeable about your organization,

- Be organized,

- Have experience with audits, and

- Have experience with Microsoft PowerPoint and Excel.

Knowledge of the organization

For the designated project manager to be successful, an organization should ensure they are familiar with the organization and with stakeholders/leaders involved in the RADV audit. This is necessary to help facilitate answering questions brought forward by different stakeholders—the project manager will often be relied upon to answer questions and provide feedback. Although they do not have to be an RADV expert, a project manager should have the ability to receive questions and work with the appropriate stakeholders to answer any questions brought forward.

Being organized

Project management involves working with a number of stakeholders and tracking milestones and deadlines, as well as communicating with stakeholders/leaders daily, providing routine progress reports via dashboards, and addressing issues brought up. It is imperative that your designated project manager have the skill set necessary to organize and keep stakeholders/leaders apprised of deadlines and any applicable communication. Lack of organization and missed deadlines can lead to consequences related to your audit and potential repayment of improper payments or penalties.

Experience with audits

Next, a project manager should have knowledge on how to conduct audits in order to develop a project plan that outlines goals, milestones, and deadlines that need to be met to successfully complete the RADV audit. Without the knowledge of how an audit works, a project manager will not be able to effectively guide your organization. Also, they should do research—if they aren't an RADV expert—to understand the requirements of the proposed RADV audit and applicable CMS and organizational expectations to effectively lead the audit. If not appropriately managed, lack of experience can lead to a number of roadblocks and delays during the audit.

Experience with Microsoft PowerPoint and Excel

Finally, a project manager should have experience with both Microsoft PowerPoint and Excel. During the initial planning phase of an audit, it is important to internally align on a reporting dashboard that can provide leadership routine updates. The ability to follow and read PowerPoint presentations can be a useful tool in presenting updates and communicating with stakeholders. We will discuss what information and metrics should be part of a dashboard later.

Also, RADV audits involve a large amount of data that is often captured within Microsoft Excel. Depending on your organization's RADV audit and the number of hierarchical condition categories (HCCs)[2] needed to be validated, the data within an Excel sheet could include thousands and thousands of lines. This amount of data can be very burdensome to any organization not equipped to handle it. To effectively manage and decipher information quickly and accurately, it is important that a project manager have the skill set to manipulate data to make it presentable and easy to understand. A project manager will have to use pivot tables and the VLOOKUP function within Excel to simplify the thousands of lines of data being transferred between departments for submission or review.

It is important to highlight that regardless of who is manipulating your data in order to decipher the contents, data integrity must be held constant. Constantly manipulating an Excel sheet filled with data can lead to data being compromised. Double-check your work and make sure an experienced data analyst with knowledge of Excel is assisting with any data manipulation. A data error can lead to disastrous outcomes for your organization.