




## A Key to Unlocking Skilled Nursing Facility Fraud, Waste, and Abuse

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## Agenda



- Introduction
- Comparative Analysis Methodology (CAM)
- CAM Case Study
- Conclusion
- Questions






## CMS CPI

- **Mission:** The central purpose and role of the Centers for Medicare & Medicaid Services (CMS) Center for Program Integrity (CPI) is to ensure correct payments are made to legitimate providers for covered appropriate and reasonable services for eligible beneficiaries of the Medicare and Medicaid programs.
- **Vision:** Over the next three years, the CPI will become an organization within CMS that uses state-of-the-art methods to prevent and detect fraud and to reduce waste, abuse, and other improper payments under the Medicare & Medicaid programs.






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## CMS CPI

- “An **intentional** deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person” (42 C.F.R.)
- Key challenge: Using information collected to infer likelihood of **intent**
- Medicare challenges
- Medicaid challenges
- Partners & stakeholders
  - Program Safeguard Contractors (PSC) & Zone Program Integrity Contractors (ZPIC)
  - Providers, suppliers, beneficiaries, law enforcement, and others






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## CMS Data Resources

- Health Care Information System (HCIS)
- Fiscal Intermediary Shared System (FISS)
- National Claims History (NCH)
- Minimum Data Set (MDS)
  - Purpose
    - Data collection & assessment tool
    - Quality & Skilled Nursing Facility Prospective Payment System (SNF PPS)
  - Changes and Improvements
    - MDS 2.0 → MDS 3.0
    - Increased accuracy & clinical relevance

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## IntegriGuard, LLC

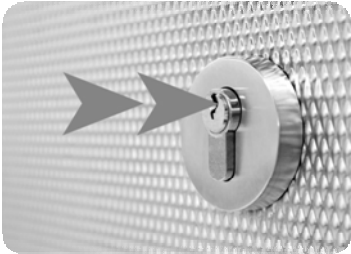
- As a CMS Program Safeguard Contractor since 1999, IntegriGuard has supported CMS' efforts to combat Fraud, Waste, and Abuse (FWA).
- IntegriGuard offers a suite of program integrity and payment accuracy solutions designed to detect fraud and improper payments.
- IntegriGuard's services include audit, compliance and education, data analysis, investigation, and medical review.
- Part of IntegriGuard's PSC Midwest Integrity Center (MIC) Part A workload investigates SNF FWA.




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## CAM... a Key to Unlock SNF FWA

- Comparative Analytical Methodology (CAM) is a collaborative team approach and methodology that successfully:
  - Understands reimbursement model
  - Generates peer comparisons ("apples to apples")
  - Detects patterns
  - Detects outliers
  - Targets medical review for highest probability of success
  - Identifies largest financial impact
  - Modifies and tests processes
  - Refers cases to law enforcement





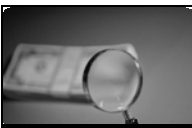

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## CAM Team Approach

- Objective
  - Identify claims from outlier providers who have highest probability of medical review
- Follow the path of the team process

			
Proactive idea	Data analysis	Investigation	Medical review

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## CAM Data Analysis Approach


### What are first steps?

- Select a universe
- Define selection criteria
- Detect statistical outliers
- Rank providers
- Share analysis results with team

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## Universe of PSC MIC SNF Locations



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## SNF Reimbursement Model

- Per diem
- Resource Utilization Group (RUG)
- Five rehabilitation levels



Rehab Levels	Description	Therapy Minutes per Week
RU	Ultra High	More than 720
RV	Very High	500 to 719
RH	High	325 to 499
RM	Medium	150 to 324
RL	Low	45 to 149

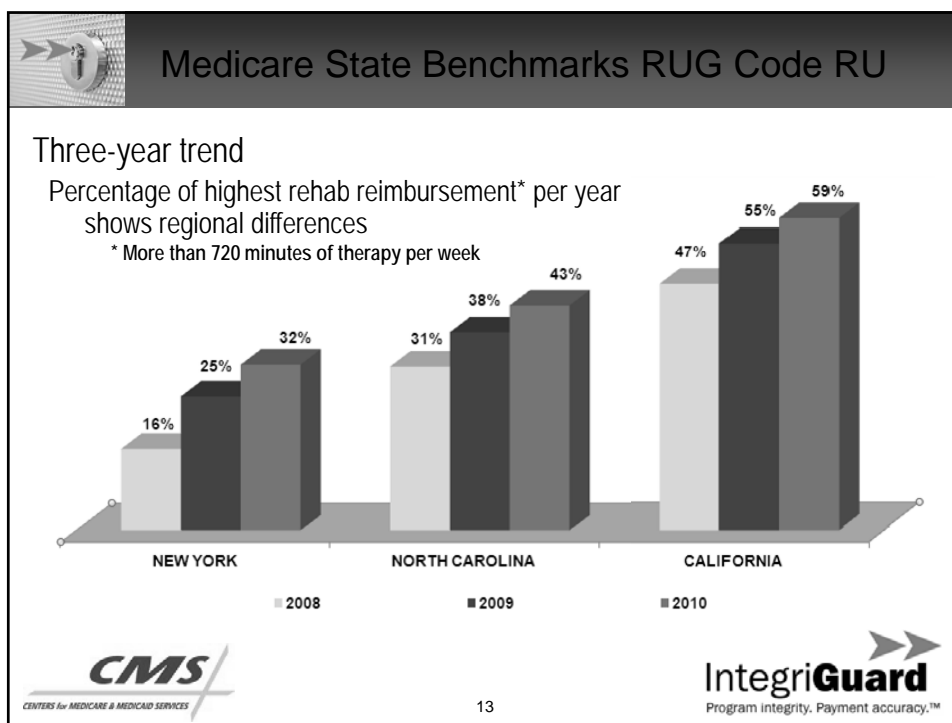

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## SNF RUG Code

- RUG Code contains 5 positions
  - Example: **RUA02**
- Divide the 5-positioned code into the 3 components
  - Therapy:** RUA02 identifies RUG category
  - Nursing:** RUA02 identifies Activities of Daily Living (ADL) Index
  - Assessment Period:** RUA02 identifies submission sequence
- Analyze each category
  - In isolation
  - In relation to other categories


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### Medicare State Benchmarks

- Use National CMS Claims Database
- Include all SNFs by state (not limited to PSC MIC providers)
- Compute benchmarks for all states
- Base benchmarks on proportion of days for:
  - **Therapy:** RU, RV, RH, RM, and RL
  - **Nursing:** Analyze by ADL Index = X, L, C, B, and A
  - **Assessment Period:** 5, 14, 30, 60, and 90 days
- Update twice per year
- Trend benchmarks to look for significant change/vulnerabilities

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## CAM Reports Generated by Data Analysis

- Look at three years of data
- Show peer comparisons
  - Therapy: RUG category
  - Nursing: ADL index
  - Assessment Period: MDS sequence
- Calculate Z-scores:
  - Measure degree of variance from average of peers
  - Identify outliers with highest Z-scores



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## CAM Reports Snapshot


Provider Statistics			State Peer Comparison		
Category	Statistic	Statistic	Provider	State	Ratio
Patients	528	Avg Stay	47.1	31.0	1.52
Days	25,367	Avg Pay per Day	\$409	\$386	1.06
Dollars Paid	\$10,382,207	Avg Pay per Discharge	\$19,262	\$11,990	1.61


60-day Assessment - Therapy Analysis					
RUG Category	Days	Percent	State	Difference	Z-Score
RU	1,846	60.9%	49.8%	11.1%	12.3
RV	552	18.2%	26.9%	-8.7%	-10.8
RH	463	15.3%	11.9%	3.4%	5.8
RM	123	4.1%	11.0%	-6.9%	-12.2
RL	45	1.5%	0%	1.1%	9.5
<b>Total</b>	<b>3,029</b>	<b>100%</b>	<b>100%</b>		

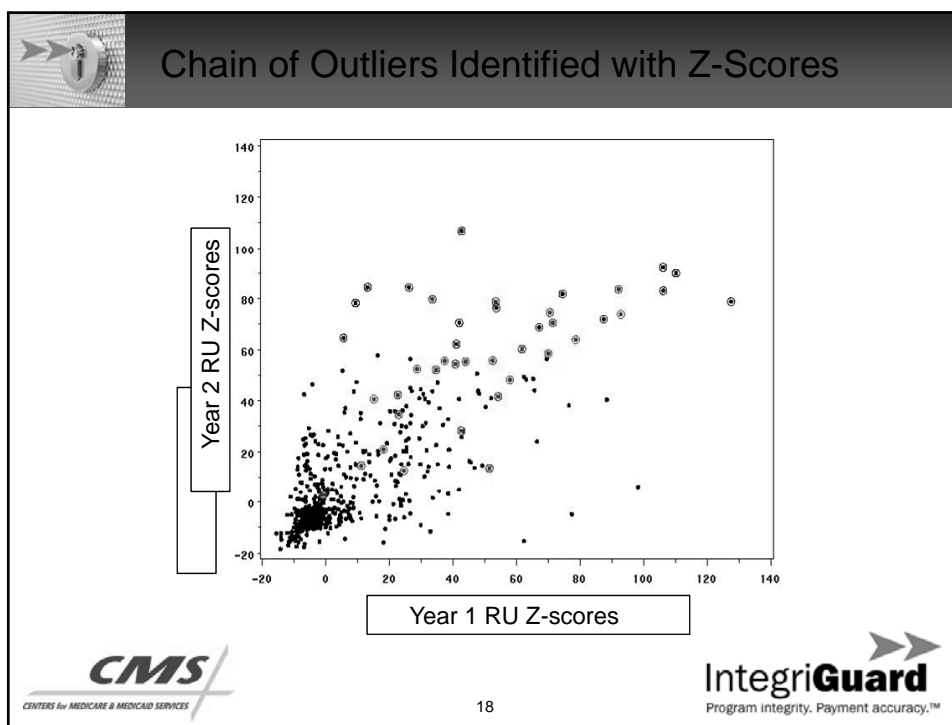
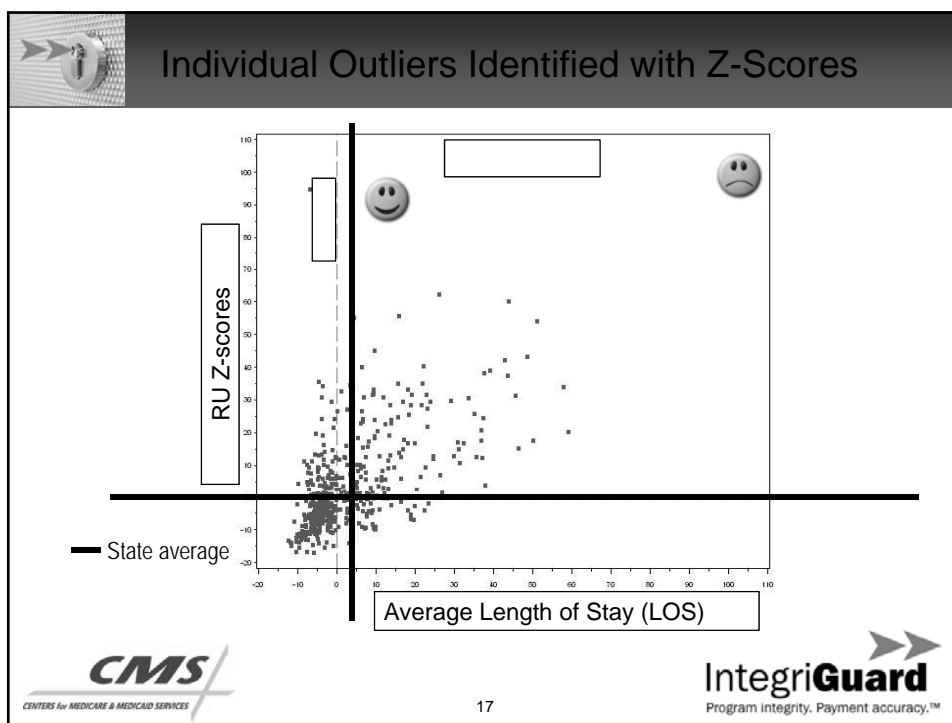
60-day Assessment - Nursing Analysis					
ADL Index	Days	Percent	State	Difference	Z-Score
X	101	3.3%	2.3%	1.0%	3.8
L	16	0.5%	2.1%	-1.6%	-6.0
C	1,176	38.8%	33.5%	5.3%	6.2
B	1,657	54.7%	54.6%	0.1%	0.1
A	79	2.6%	8%	-4.9%	-10.2
<b>Total</b>	<b>3,029</b>	<b>100%</b>	<b>100%</b>		




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## SNF Per Diem Reimbursement Drivers




### What can be manipulated?

- RUG
- ADL score
- Length of Stay (LOS)
- Minutes of rehabilitation services
- Extensive services




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## CAM Investigative Approach




### How bad is the provider?

- Peer comparison
  - RUG overbilling
  - ADL
  - Beneficiary progress throughout various assessment periods
  - Extent of deviation from peers (Z-score)
  - Average LOS
  - Average payment per discharge
  - Average payment per day



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## Pattern Detection

- Clinical improvement (better or worse)
- Intensity of therapy (minutes of therapy)
- Regimen of therapy
  - Occupational Therapy
  - Speech Therapy
  - Physical Therapy
- Trend of three years
- Diagnosis by assessment period



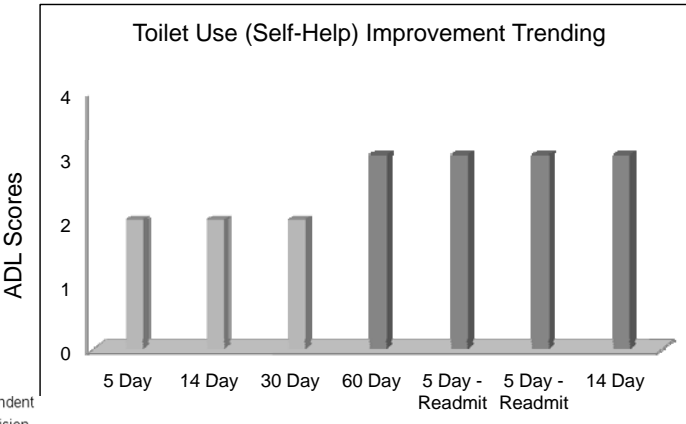
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## Clinical Improvement Using ADL Scores

Toilet Use (Self-Help) Improvement Trending



ADL Scores

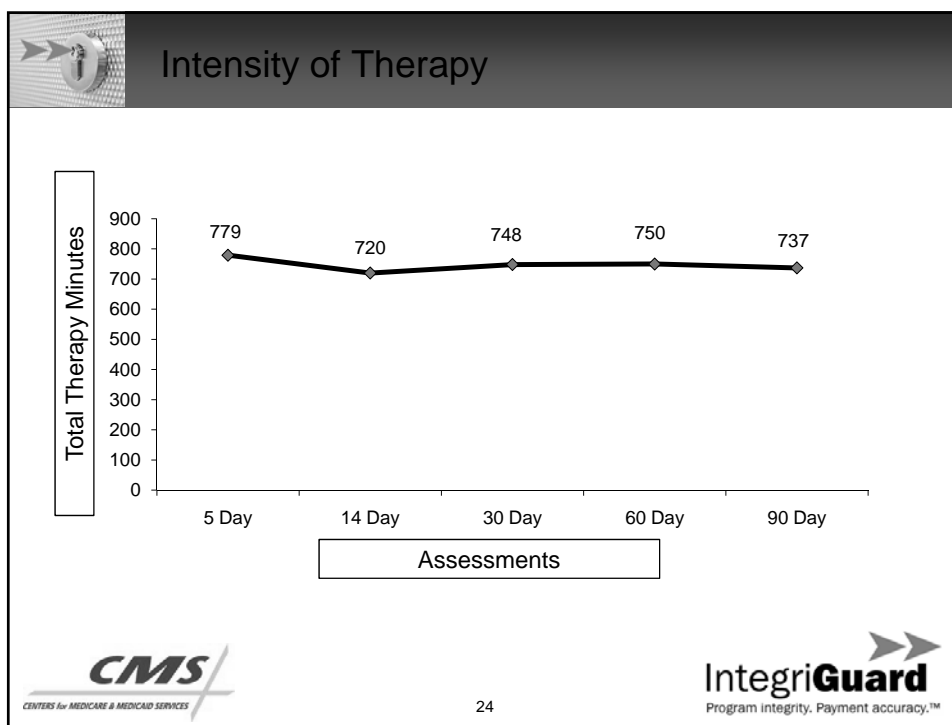
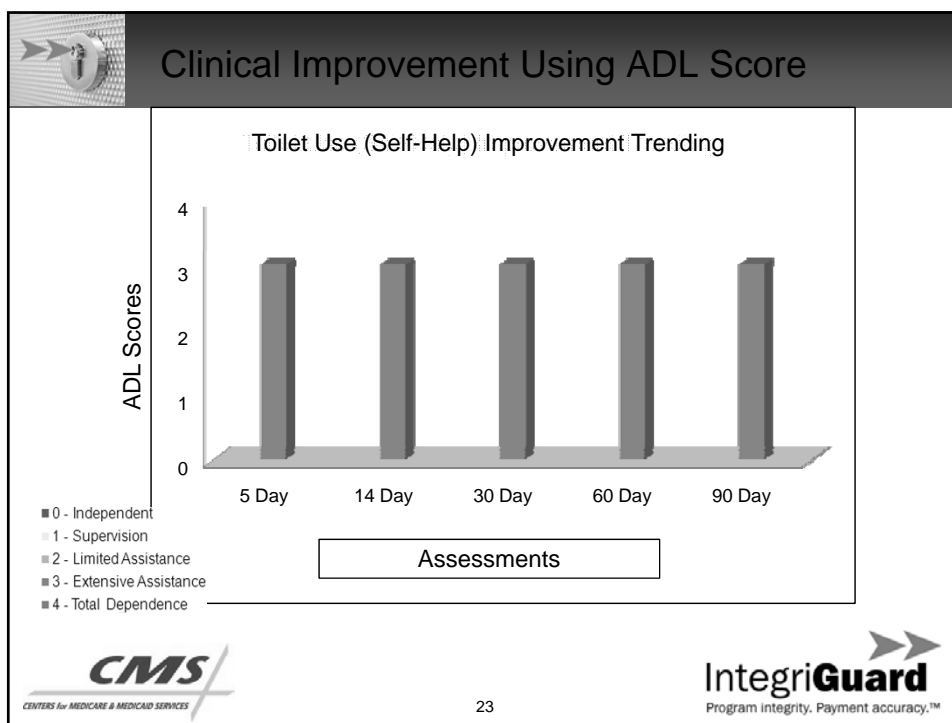
Assessments

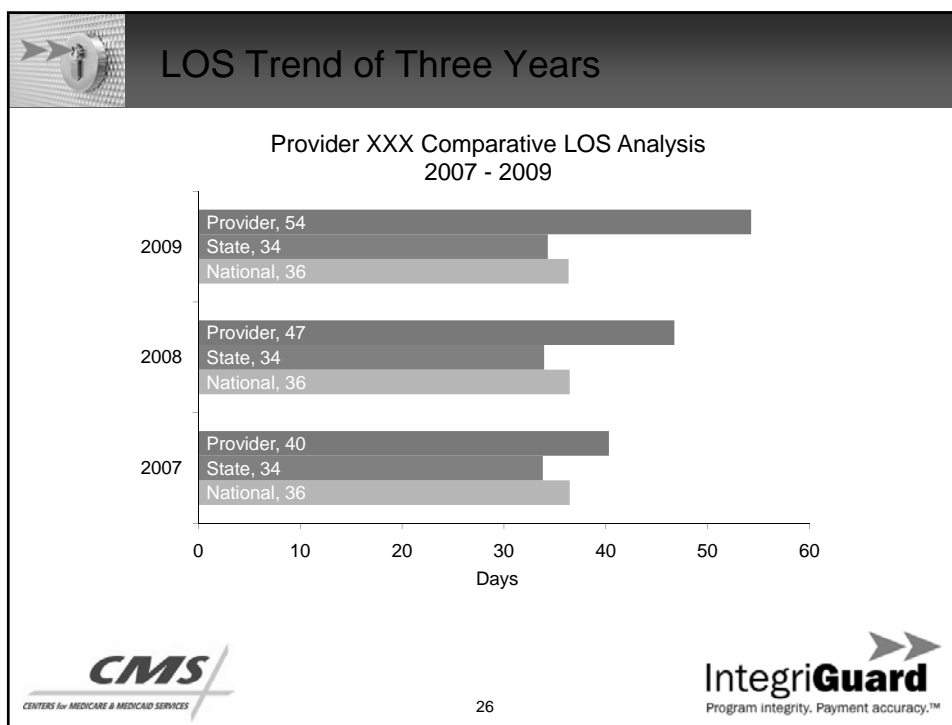
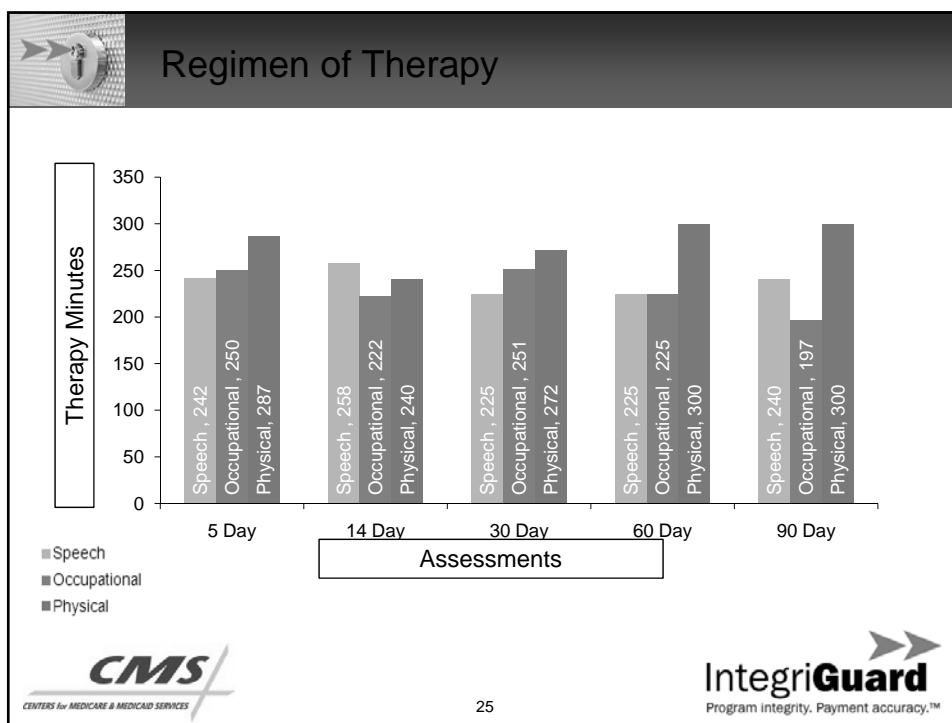
■ 0 - Independent  
■ 1 - Supervision  
■ 2 - Limited Assistance  
■ 3 - Extensive Assistance  
■ 4 - Total Dependence

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## CAM Medical Review Approach





### What to expect

- Review entire medical record
- Capture prior level of care information (admission information)
- Follow progress (nursing & therapy notes)
- Convert medical records into a story of clinical journey
  - Review SNF claims
  - Analyze MDS information
  - Review medical and clinical records




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## Medical Review Summary Report


- Before SNF Stay
  - Acute hospital stay
  - Hospital discharge documentation
  - Chronic information
  - Diagnosis Related Groups (DRG)






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## Medical Review Summary Report


- During SNF Stay
  - SNF Information
  - Comparative MDS data
  - Beneficiary condition
  - Beneficiary functional abilities
    - Cognition (short-term and long-term memory scores)
    - Bed mobility, transfer, eating, toilet use
  - Pain information
  - Ability to tolerate intensive skilled therapy
  - Cause and effect: Course of therapy versus response to skilled therapy
  - Medical review decisions (i.e., allowed, reduced, denied)






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## Medical Review Summary Report

- After SNF Stay
  - Discharges Disposition:
    - Hospital
    - Re-admission to same SNF
    - Another SNF
    - Home Health Agency (HHA)
    - Home





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## CAM Team Outcome

- Administrative resolution
  - Exclusion from Medicare program
  - Suspension of payment
  - Overpayment
- Referral to law enforcement
- Law enforcement support


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## Mildred: A Case Study

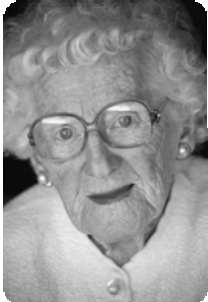
- Mildred, a woman aged 91 years

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## Continuum of Care - Acute Hospital Stay




- Acute Claim
  - 3-day LOS
  - DRG 296 Nutritional & Metabolic Disorder
  - Secondary diagnoses
    - Dehydration
    - Urinary Tract Infection (UTI)
    - Other Malaise & Fatigue
    - Hypertension
  - No procedures



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## Continuum of Care – SNF Stay


- All SNF claims for each beneficiary are aggregated chronologically.

Beneficiary	From Date	Through Date	RUG Code	Days	Payment
Mildred	<u>11/10/2006</u>	11/30/2006	RUL01	13	\$9,266.74
Mildred	11/10/2006	11/30/2006	RUB07	8	
Mildred	12/01/2006	12/31/2006	RUB07	9	\$2,655.45
Mildred	12/01/2006	12/31/2006	RUA02	22	\$6,063.42
Mildred	01/01/2007	01/31/2007	RUA02	8	\$6,443.34
Mildred	01/01/2007	01/31/2007	RVA03	23	
Mildred	02/01/2007	02/17/2007	RVA03	7	\$3,162.34
Mildred	02/01/2007	<u>02/17/2007</u>	RVA04	10	
State Average				100	\$27,591.29
Year	Average Stay	Average Pay/Discharge			
2006	39.6	\$10,499			
2007	41.3	\$11,760			

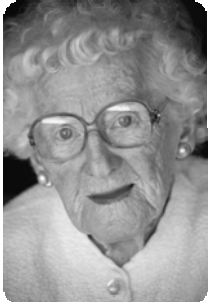


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## MDS Review




- Cognitive Patterns (MDS 2.0 fields)
  - B2a now C0700 – Short-term memory
  - B2b now C0800 – Long-term memory
  - B4 now C1000 – Cognitive skills for daily decision making
- Mildred's Memory and Cognitive Skills
  - Short-term memory problems
  - Long-term memory – OK
  - Cognitive skills – Modified independence; some difficulty in new situations only



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## MDS Information


Physical Functioning (MDS 2.0 Section G) Determines ADL Index Score

Assessments


	5 Day	14 Day	30 Day	60 Day	90 Day
<b>Bed Mobility</b>					
Self	3	3	0	0	0
Support	2	2	0	0	0
<b>Transfer</b>					
Self	3	3	1	1	0
Support	2	2	1	1	0
<b>Eating</b>					
Self	0	0	0	0	0
Support	1	1	1	1	1
<b>Toilet Use</b>					
Self	3	3	3	3	0
Support	2	2	2	2	0

Self	
0	Independent
1	Supervision
2	Limited assistance
3	Extensive assistance

Support	
0	No set up
1	Set up help only
2	1 person assist
3	2 person assist



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## MDS – Minutes of Therapy

	Assessments				
	5 Day	14 Day	30 Day	60 Day	90 Day
Speech Therapy	162	144	0	0	0
Occupational Therapy	381	410	360	236	250
Physical Therapy	198	166	407	271	253
	741 RU	720 RU	767 RU	507 RV	503 RV

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## Mildred's Continuum of Care Facts

- Hospitalized for 3 days for dehydration & UTI
- Upon SNF admission, needed extensive assist of 1 person for bed mobility, transfers, and toilet use. Set-up only for feeding.
- Mild cognitive problems
- Received 30 days of skilled rehabilitation at the Ultra High RUG – 720 minutes per week
- By 30-day assessment, needed set-up only for bed mobility, transfers, and feeding
- Continued to need extensive assist of 1 for toilet use
  - Toilet transfers, clothing management, and cleansing perineum

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## Mildred's Continuum of Care Discharge

- Resident of the SNF prior to hospitalization
- Upon discharge from Medicare, continued to be a long-term care resident




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## IntegriGuard CAM Results

- More than 26 overpayments from medical review findings resulting in more than \$4.5 million collected
- More than 82 referrals to law enforcement resulting in more than \$125 million of estimated overpayments
- In addition...actively supporting Department of Justice on several SNF providers



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## CAM... a Key to Unlock SNF FWA

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## Questions

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