



E-Alliance Extra

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CMS Plans to Bring Back Pre-Claim Review

(from NAHC Report)

The Centers for Medicare & Medicaid Services (CMS) plans to bring back an altered version of the pre-claim review (PCR) demonstration that was halted at the end of March 2017 after it was revealed that it found mere paperwork errors instead of the fraud that it was intended to uncover, according to May 29 offer for public comment by CMS.

This newer version of PCR would compel providers in demonstration states to submit all claims for review either before or after payment has been made or suffer a 25 percent cut in payment. In addition, providers that do not submit claims could be subject to Recovery Audit Contractor reviews. The original version of PCR did not have a post-payment review option.

“These providers will continue to be subject to a review method until the HHA reaches the target affirmation or claim approval rate,” according to the notice. “Once an HHA reaches the target pre-claim review affirmation or post-payment review claim approval rate, it may choose to be relieved from claim reviews, except for a spot check of their claims to ensure continued compliance.”

The CMS proposal comes hot on the heels of a Government Accountability Office (GAO) recommendation that the agency bring back the PCR demonstration. NAHC Report covered that GAO recommendation on May 22, 2018.

CMS proposes to run the new PCR demonstration in Florida, North Carolina, Ohio, Texas, and Illinois, the only state to have experienced the original PCR demonstration. Florida and Texas were states targeted for the original PCR, but the demonstration was halted before it began there. North Carolina and Ohio are new states added to the list of possible PCR targets. CMS holds open the possibility of expanding this newer version of PCR to other states beyond those named in the notice.

The public has 60 days to comment on the CMS proposal once it is officially published in the Federal Register.

While CMS Administrator Seema Verma claims the new PCR demonstration will offer providers more choice by including post-claim review, NAHC is not persuaded by that

argument. No other health care sector is forced to submit every care claim for review or face a punishing 25 percent pay cut.

“The CMS proposal to resurrect the pre-claim review demonstration program is of great concern to the home health community,” said NAHC President William A. Dombi in reaction to the news. “While it is touted as a choice of options for home health agencies, the options presented are two with increased paperwork burdens and one that would financially cripple a home health agency with a 25% payment reduction. We certainly do not want to see nurses, therapists, and home care personnel spending their days chasing down paperwork at the expense of patient care.

“We are currently evaluating the new proposal and analyzing the data on the impact of the earlier iteration in Illinois with particular emphasis on patient impact,” continued Dombi. “Further, we want to work with CMS to explore the alternatives that we presented to the Administrator in early 2017 as we believe those alternatives would be equally effective with much less administrative burden. Also, we are anxious to review the forthcoming details of the proposal that are due out on Thursday and intend to fully participate in the formal comment process.”

NAHC has been warning home health providers for some time that the pause in the PCR demonstration did not mean it would not return. However, our hope was that CMS would work with industry stakeholders to craft a far less burdensome system to ensure integrity in the home health program.

While the post-payment review addition to the demonstration might ease some of the problems with cash flow caused by the original iteration of PCR, it is very likely to lead to a substantial appeals backlog, as providers appeal denials by Medicare Administrative Contractors. In the original version of PCR, many denials were found to be based on simple and innocent paperwork errors.

It is important to remember that when PCR was halted originally it **did NOT find evidence of unnecessary care or services provided that were not meant to be covered**. Instead, PCR merely found correctable documentation issues, a problem that was fixed and was hardly worth the pain inflicted on home health providers and patients.

If PCR, at least in its original form, was created to root out fraud and abuse, it was poorly designed. The Office of Inspector General (OIG) has identified characteristics commonly found in fraud cases, so CMS should concentrate its resources on pursuing those outliers, instead of punishing hard-working and law-abiding home health agencies and their patients.

NAHC will be contacting legislators who objected to the original PCR demonstration and will work with CMS and other industry stakeholders to ensure that whatever emerges from the comment period is something that does not threaten access to care for needy patients or imperil the viability of home health agencies.