

# The Provider Perspective

South Carolina Department of Health & Human Services



Spring/Summer 2009

## \*\*\*\*\*Important Reminder\*\*\*\*\*

### Bulletins

In an effort to reduce administrative expense, SCDHHS began distributing bulletins electronically through e-mail instead of the US Postal Service in November of 2008. They are also available online at [www.scdhhs.gov](http://www.scdhhs.gov).

If you have not subscribed to the bulletin listserv and wish to receive Medicaid Bulletins, go to <http://bulletin.scdhhs.gov> to subscribe.

## Inside this issue.....

### Retention of Financial and Programmatic Records

Effective July 1, 2009 the Records and Audits, Maintenance of Records section of all Medicaid contracts will be revised to state the Provider “agrees to retain all financial and programmatic records, supporting documents, statistical records and other records of recipients relating to the delivery of care or service under this contract, and as further required by SCDHHS, for a period of five (5) years after last payment made under this contract (including any amendments and/or extensions to the contract).”

Also, both the Maintenance of Records and Inspection of Records sections will be revised to read as follows: “If any litigation, claim, or other actions involving the records has been initiated prior to the expiration of the five (5) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it or until the end of the five (5) year period, whichever is later. This provision is applicable to any subcontractor and must be included in all subcontracts.”

Lastly, the Inspection of Records section will be revised to require the Provider to make all program and financial records and service delivery sites available to SCDHHS, the State Attorney General’s Office, the State Auditor, the GAO, the USDHHS, or any of their designees for a period of five years after last payment under the contract.

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## Payment Error Rate Measurement (PERM)

In 2007 through 2008, the South Carolina Medicaid program was reviewed as part of the Payment Error Rate Measurement project (PERM). This program was instituted by the Federal Centers for Medicare and Medicaid Services (CMS) in order to determine whether States were making Medicaid payments only for medically necessary services that were properly supported by the patient record.

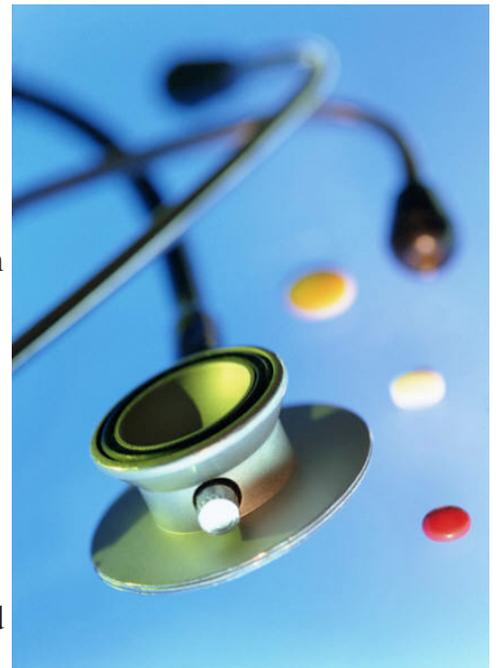
The medical documentation to support the claims had to come from the Medicaid provider. Each provider chosen for the PERM sample was sent several letters informing him of the PERM sample and what record(s) was chosen for review. Unfortunately, several providers chose to ignore letters from both CMS and SCDHHS, and failed to respond to the request for records. As a result of the providers' failure to provide this documentation, the following negative consequences occurred:

- The claims without supporting documentation were determined to be paid in error by CMS.
- Failure to send in the medical records also increased the State's payment error rate. For example, South Carolina providers failed to send in any documentation to support 34 claims that had been paid by the Medicaid or SCHIP program. Another 11 claims were found to be in error because providers sent in insufficient documentation to support the claim.
- Providers must refund to SCDHHS the amount of the claims found to be in error.
- Providers who do not send in the medical records in response to the PERM request may face other sanctions. SCDHHS can suspend or even terminate a Medicaid provider who refuses to cooperate with any State or Federal review or audit.

Providers should realize that failure to maintain service documentation, and/or refusal to send in records requested for review, constitute non-compliance with both Federal and State Medicaid requirements. In effect, if the service is not documented, there is no proof it ever happened. Moreover, failure to document Medicaid claims can impact the integrity of the Medicaid program and may cast doubt on the quality of care provided to Medicaid patients.

PERM is an on-going program, and South Carolina will be reviewed again in 2010, for claims that are paid from October 1, 2009, through September 10, 2010. If you as a provider are chosen as part of the PERM sample, please take the records request seriously and send in the documentation. SCDHHS can answer any questions providers might have about this process and will be happy to assist providers in complying.

South Carolina Medicaid program needs the cooperation of all providers to ensure the best use of taxpayer dollars and that the Medicaid program is administered effectively and efficiently. So remember PERM in 2010, and please help by sending in requested records!



## Reminder: DME Providers

Durable Medical Equipment (DME) providers are reminded that the Medicaid DME Provider Manual requires documented proof of delivery of equipment and supplies for a minimum of five (5) years. Section 2, Proof of Delivery, requires the DME provider to deliver and set up medical equipment and for educating the beneficiary on how to use. The provider may deliver directly to the beneficiary or to a designee. Delivery to the beneficiary's home via the United States Postal Service, Federal Express, UPS, etc. is strictly prohibited for medical equipment.

“Providers must maintain proof of the delivery of supplies and medical equipment (i.e., return receipt to include beneficiary's name, quantity delivered, detailed description of delivered item, brand name, and serial number) in their place of business for a minimum of five years.”

Note: Delivery of medical supplies requires return receipt from the courier, United States Postal Service, Federal Express, UPS, etc. Delivery documentation generated by the DME provider is not sufficient to verify delivery of medical supplies.

## Billing Broken, Missed, or Cancelled Appointments

Medicaid Program Integrity (PI) is the area within SCDHHS where allegations of fraud, waste and abuse are received from the Fraud Hotline. A specialized unit within PI logs and processes the complaints and then distributes them to other specialized units for investigation. One of the most frequent complaints received is that providers have billed Medicaid beneficiaries for broken, missed or cancelled appointments. Once allegations of this type have been received, further review of the provider's billing practices may ensue. Representatives from the program area for which the provider is enrolled are available for assistance if you have questions concerning this policy.

Agency policy for this issue can be found in Section 100 of every provider manual and states:

“CMS prohibits billing Medicaid beneficiaries for broken, missed, or cancelled appointments. Medicaid programs are state-designated and administered with federal policy established by CMS. Federal requirements mandate that providers participating in the Medicaid program must accept the agency's payment as payment in full. Providers cannot bill for scheduling appointments or holding appointment blocks. According to CMS Program Issuance Transmittal Notice MCD-43-94, broken or missed appointments are considered part of the overall cost of doing business.”



## Provider Contact List

For questions regarding a claim filing and/or Medicaid policy, contact your program area representative. Program area representatives are knowledgeable in Medicaid policy and claims filing, and are the primary provider point-of-contact at SCDHHS. Possible questions to be directed to the program area representative include, but are not limited to:

- NPI questions
- Claims filing questions
- Edit code resolution
- Requesting training on Medicaid billing and policy

If complex technical questions arise, the program area representative will coordinate with systems staff. After resolution, the representative will follow-up within a short time frame.

The provider contact list is available on our web site by following the link provided:

<http://www.scdhhs.gov/QuickContactlist.asp>

