

**UNIVERSITY OF CALIFORNIA, DAVIS
AUDIT & MANAGEMENT ADVISORY SERVICES**

**University of California, Davis Health System
Rehabilitation Services Audit
Audit & Management Advisory Services Project #16-37**

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MANAGEMENT SUMMARY

Background

The University of California Davis Health System (UCDHS) Department of Physical Medicine and Rehabilitation (PM&R) provides a wide range of inpatient and outpatient services for adults and children in the areas of Physical Therapy, Occupational Therapy, Speech Therapy, Prosthetics/Orthotics, Hand Therapy, and Psychology. For patients requiring treatment in more than one discipline, UCDHS Patient Care Services (PCS) operates a dedicated 19 bed Acute Inpatient Rehabilitation Unit (Rehab Unit) for adult patients. Services to support the Rehab Unit require a coordinated effort between PM&R therapy staff, PCS, and physicians and residents from the University of California, Davis (UCD) School of Medicine (SOM). Professionals from each area must work together to develop and implement the plan of care for each patient admitted to the Rehab Unit within specific guidelines set by the Centers for Medicare & Medicaid Services (CMS).

An Inpatient Rehabilitation Facility must be certified by CMS and, to remain eligible, must submit an annual report validating that at least 60% of Rehab Unit inpatients meet one or more of 13 medical conditions listed by the Code of Federal Regulations for inpatient rehabilitation. More extensive reporting requirements are required on a per patient basis through the mandatory submission of the Inpatient Rehabilitation Facility-Patient Assessment Instrument (IRF-PAI) within 17 days of discharge. As of October 1, 2015, the IRF-PAI requires specific information for total therapy minutes by week and discipline plus quality indicators for hospital acquired pressure ulcers and patient influenza vaccinations. To avoid a potential two percent reduction in payments, additional quality indicators, including urinary tract infections, unplanned readmissions and employee influenza vaccinations must also be reported through other reporting methods. Additional detail is available in the body of the report.

Purpose and Scope

As part of the planned audits for fiscal year (FY) 2016, Audit and Management Advisory Services (AMAS) conducted a review of Rehabilitation Services involving PM&R therapies and the PCS Rehab Unit. The objective of our review was to assess the adequacy of processes, procedures and systems currently in place to monitor and ensure appropriate charging and reimbursement for all patient services provided. All adult patients are overseen within the Rehab Unit while the pediatric patients are overseen as part of the Pediatric Unit. Our audit did not include an assessment of rehabilitation services for pediatric patients.

Our review included an assessment of the comprehensive listing of billable items¹ and the accuracy of the electronic charge document utilized by PM&R to record charges for the services provided in both the inpatient and outpatient settings. Further analysis was performed for charge entry lag times and oversight of patient charges that were not immediately billable², as well as CMS reporting requirements specific to the Rehab Unit. The processes for obtaining payment for rehab services are complex and spread amongst various departments but PM&R is ultimately responsible for the submission of the IRF-PAI reporting (noted above), ensuring reimbursement is appropriate and CMS compliance requirements are met. (See Appendix A.)

¹ The comprehensive listing of billable items is contained in the Charge Description Master (CDM).

² The UCDHS electronic medical records system (EMR), Epic, utilizes work queues to identify and segregate designated transactions, accounts and/or errors for further review and resolution.

In order to conduct our review, we interviewed UCDHS personnel from PM&R, Compliance, Patient Financial Services, and Clinical Operations, as well as analyzed relevant documents, data and transactions.

The scope of our review was limited to FY2015 CMS reporting and detailed transactions from January 2015 forward. Transactions prior to January 2015 were not considered as the process to capture those charges is no longer in effect.

Conclusion

Based on our review, PM&R has predominately entered hospital charges within the 4 day benchmark set by UCDHS and demonstrated a commitment to the management of PM&R hospital charge work queues to ensure timely submission of the IRF-PAI. The IRF-PAI must be submitted first in order to obtain The Case Mix Group (CMG) code needed by Patient Financial Services (PFS) to bill for services provided. However, processes are not sufficient to ensure that all services being performed are billed and that all potential revenue is collectible. Effort should be made to create a CDM that includes all services and supplies provided, and have the electronic charge document match the CDM so services and supplies provided can be charged to the patient account by the therapist at the time of service.

The Medical Director of the Rehab Unit has developed a review process to monitor the status of each patient admitted to the Rehab Unit in an effort to validate that the CMS requirements are being met. Though this review has been beneficial and has provided confirmation that the preadmission and post admission screenings are occurring within the appropriate time frames established by CMS, there is not a means to easily verify whether each patient received the required minimum treatment of 3 hours per day, or 15 hours per week of therapy (18 hours per week for pediatric patients). A new electronic system is under development; however, currently it cannot readily provide this information. An interim process should be put into place to validate therapy minutes concurrent with the inpatient stay.

Effective in 2010, CMS began a quality reporting program for all Inpatient Rehabilitation Facilities. In 2014 this reporting became mandatory, and if not adhered to, may impact the reimbursement rate for the following year. In 2015, one of the seven measures was reported inaccurately, and though a rebuttal to the denial letter was submitted to CMS, it is unclear if the program was subjected to a two percent reduction in reimbursement in 2016. A coordinated effort should be made to ensure that all quality measures are reported timely and accurately to avoid future reductions.

Our observations and recommendations are presented in the body of this report, along with corresponding management corrective actions.

I. OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT CORRECTIVE ACTIONS

A. Charge Capture

An accurate Charge Description Master (CDM) is vital for proper billing and reimbursement of services and supplies. Prior to the implementation of EPIC, the CDM for PM&R included sub codes that assisted department management in monitoring total therapy minutes and locations, i.e. inpatient vs. outpatient. However, with the transition to EPIC, the sub codes could not be incorporated into the CDM and an abbreviated CDM was put into place. In December 2014, PM&R instituted the Electronic Charge Document, which is used by PM&R therapists to enter charges for both inpatient and outpatient services, and is modeled after the abbreviated CDM. To allow for flexibility, miscellaneous codes were also included in the Electronic Charge Document, to capture new services that are not yet part of the CDM.

1. Miscellaneous EAP Codes

PM&R has overly relied on Miscellaneous EAP codes for charge entry.

The Electronic Charge Document for PM&R was created with the intent of using miscellaneous Epic All Procedure (EAP) codes. Miscellaneous codes give the therapist entering the charges the ability to add notes and record a charge when the correct EAP is not present. However, the use of miscellaneous codes indicates neither the Electronic Charge Document nor the CDM is complete. Though PM&R has been working with the UCDHS IT - Epic Resolute Team to remedy the situation, corrections have not been completed.

During the month of October 2015, throughout UCDHS, there were 665 instances of a miscellaneous EAP code being utilized in 10 different service areas. Of those 665 occurrences 625, or 94%, were charges originating from a PM&R cost center. Use of a miscellaneous code is equivalent to a hard stop in the billing process as a miscellaneous code does not have an associated Healthcare Common Procedure Code System (HCPCS) or an associated price, two elements required to bill for services.

Each time a miscellaneous code is used the charge will be added to a work queue for a manual review. The manual review can be a time consuming process, but the work queue must be cleared to allow the patient account to be billed. The use of miscellaneous EAP codes for the same service or supply multiple times without the establishment of a permanent EAP code unnecessarily increases the work load of the coding staff.

Recommendations

1. PM&R must establish a CDM that reduces the need to utilize miscellaneous EAP codes.

2. PM&R should establish a process to request a new EAP code for all new, ongoing supplies or services.

Management Corrective Actions

- a. By 6/15/2016, PM&R will perform a review of the miscellaneous codes and request permanent EAP codes in the CDM for those services and supplies.
- b. By 12/15/2016 UCDHS IT - Epic Resolute Team will implement changes requested by PM&R.
- c. By 6/15/2016, PM&R will work with coding staff and establish a process to request a new EAP code when new, ongoing services are charged to miscellaneous codes. The process will include clearing the miscellaneous code within 45 days, the expected time frame for an EAP to be created and approved.

2. Unused EAP Codes

The CDM for PM&R contains EAP codes that are not being used.

To identify unused codes, we reviewed charges billed by PM&R from January 1, 2015 through October 31, 2015 and compared them to the current PM&R CDM. Of the 697 EAP codes on the CDM, 118 codes were not used during this time period. It is unknown if these codes became obsolete or were initially set up incorrectly in the EPIC CDM. Maintaining unneeded EAP codes increases the administrative burden for the CDM Coordinator and the CDM review committee who are responsible for the annual review and management of the CDM.

Recommendations

1. PM&R should remove all obsolete, unused or incorrect codes from its CDM.

Management Corrective Actions

- a. By 6/15/2016, PM&R will review its CDM to identify all obsolete, unused or incorrect codes and submit requested changes to the UCDHS IT - Epic Resolute Team.
- b. By 12/15/2016 the UCDHS IT – Epic Resolute Team will implement the revisions requested by PM&R.

3. EAP Codes Not Associated With PM&R

PM&R departments use EAP codes that exist elsewhere in the CDM, but were not associated with the PM&R department using them.

There were a number of PM&R charges identified with EAP codes not associated with the PM&R department for which the charges were billed. When an EAP code is created it can be associated with multiple departments of UCDHS. If a user enters a charge not associated with their department, the system will display a warning message, which can be bypassed allowing the charge to be billed under the department the user is logged into. The use of a non-associated EAP code could indicate the user is logged into the wrong department or the code is not valid for the department to bill. Additionally, each time the error occurs, it adds to the administrative burden for Billing Systems Support. Billing Systems Support distributes a monthly Cost Center Error report for review. In October 2015, PM&R generated 405 such errors from 35 different EAP codes.

Recommendations

1. PM&R should review the monthly Cost Center Error report and ensure all necessary EAP codes in its CDM are associated with PM&R.

Management Corrective Actions

- a. By 8/15/2016, PM&R will identify the EAP codes included in its CDM that do not have an association with the correct PM&R department and submit CDM request to Rate Review Committee to update.
- b. By 5/15/2016, PM&R will begin reviewing the monthly Cost Center Error report and make changes as necessary.

4. Electronic Charge Document

The Electronic Charge Document utilized by PM&R does not include all EAP codes necessary to capture the services and supplies provided by PM&R therapists.

Per UCDHS Policy 1934 *Paper or Electronic Charge Capture Maintenance*, the Electronic Charge Document must include all codes necessary to capture the charges for services provided and align with the department's CDM. This is not the case for the PM&R Electronic Charge Document, which includes codes not used by the department and omits other necessary codes, resulting in the frequent use of miscellaneous codes. Though miscellaneous codes are necessary for new procedures or unique situations, they should not be used repeatedly for the same service or supply; a permanent EAP code should be established. PM&R has been working with the UCDHS IT – Epic Resolute Team to implement changes to the Electronic Charge Document, but modifications have yet to be executed.

Recommendation

1. Once the CDM is updated as discussed in previous recommendations, PM&R should update the Electronic Charge Document to reflect the most frequently used EAP codes.

Management Corrective Actions

- a. By 6/15/2016 PM&R will request updates to the Electronic Charge Document to reflect the most frequently used EAP codes.
- b. By 12/15/2016 UCDHS IT – Epic Resolute Team will implement the revisions requested by PM&R.
- c. By 8/15/2016 PM&R and UCDHS IT – Epic Resolute Team will develop a process to review and maintain the PM&R Electronic Charge Documents on a quarterly basis.

B. Therapy Time Tracking

PM&R does not have an adequate system to track and report Rehab Unit therapy minutes, which must be reported on the IRF-PAI to comply with CMS regulations.

All patients admitted to the Rehab Unit must require treatment in more than one discipline and benefit from intensive therapies of at least three hours per day for at least five days per week to comply with CMS requirements. Historically, the Rehab Unit daily therapy schedule has been managed on a whiteboard and erased daily once charges were entered. The total therapy time was then calculated after the patient was discharged by accumulating 15 minutes for each unit billed.

Effective October 1, 2015, CMS requires total therapy time in minutes for the first two weeks of treatment for each patient discharged be reported on the IRF-PAI. The therapy time must be reported per discipline (Physical Therapy, Occupational Therapy and Speech Therapy only) and by setting, i.e. individual, group, concurrent or co-treatment.

The current method of applying 15 minutes per unit billed does not easily allow PM&R to demonstrate compliance with CMS therapy requirements of three hours per day/five days per week while the patient is still in the unit. Further, assigning a 15-minute interval per unit billed could be interpreted as rounding, something CMS specifically prohibits. Per *Inpatient Rehabilitation Therapy Services: Complying with Documentation Requirements*, "Therapy minutes cannot be rounded for the purposes of documenting the required intensity."

PM&R is developing a new electronic system called "Snapboard" that will store the daily schedule electronically, and provide a daily history of the patient's schedules. However, the Snapboard system will not tabulate total therapy times by day, patient or discipline, so PM&R continues to use the process of applying 15 minutes per unit billed for the Rehab Unit.

Recommendation

1. PM&R should work with IT to determine if the Electronic Charge Document and CDM can be modified to facilitate tracking of and reporting on therapy minutes.
2. Until EPIC can be utilized to track therapy minutes, or if EPIC cannot be utilized, until the Snapboard system is complete, PM&R should develop an interim method to accurately track and report therapy minutes by patient, discipline, day, and week concurrent with the entire patient stay.

Management Corrective Actions

- a. By 5/15/2016 PM&R, will develop an interim method to monitor and report Rehab Unit patient therapy times by patient, discipline, day and week until the Snapboard, or another system, is in place to track actual therapy minutes.
- b. By 12/15/16, PM&R will develop a plan to implement either the Snapboard system or another IRF tracking system to enable a tabulation per patient, of the actual therapy minutes by day, by week, and by patient stay, separated by therapy type.

C. Quality Reporting – Employee Influenza Vaccination

PM&R does not have a process to ensure all employees providing services in the Rehab Unit are included in required influenza vaccination reporting.

Since 2010, CMS has been developing quality reporting measures for Inpatient Rehabilitation Facilities. This reporting became mandatory in 2014, and the requirement to report influenza vaccination coverage among healthcare personnel was added as a quality measure in 2015. If the required data is not submitted, there is the possibility of a two percentage point reduction in the annual payment update. The data reported by UCDHS for 2015 was rejected by CMS as incomplete. Though UCDHS submitted a rebuttal, UCDHS Finance was unable to confirm if the two percent reduction was applied in 2016. Per PM&R Leadership, the report included the nursing staff from PCS, but omitted the PM&R therapists, residents and physicians. The next report is due May 15, 2016.

The data for this measure is aggregated for submission to the Center for Disease Control (CDC) by the UCDMC Infection Prevention staff from data provided by Employee Health Services. CMS collects the data from the CDC database to confirm Rehab Unit quality reporting. The separation between the departments gathering and inputting the data has created uncertainty over who is ultimately responsible for the reporting. Neither Infection Prevention nor Employee Health Services believe their units should be held responsible for validating the reporting of this measure.

Recommendation

1. PM&R Leadership should ensure influenza vaccination data for all required personnel is reported to the CDC.

Management Corrective Actions

- a. By 5/15/2016, PM&R Leadership will develop a process to annually identify UCDHS staff, students, residents, physicians, and registry personnel whose data is required to be included on the reporting to the CDC to meet the CMS influenza vaccination quality measure. The process will include:
 - Sending the compiled list to Employee Health Services prior to the due date, to coordinate with the UCDCM Main Hospital reporting for the same measure.
 - Following up with Employee Health Services and Infection Prevention to ensure that the reporting was completed timely.

Appendix A
Inpatient Rehabilitation Unit Patient Flow

