



Review Choice Demonstration for Inpatient Rehabilitation Facility Services

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Division of Payment Methods & Strategies

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Acronyms in this Presentation

- ADR: Additional Documentation Request
- CERT: Comprehensive Error Rate Testing
- FFS: Fee for Service
- IRF: Inpatient Rehabilitation Facility
- MAC: Medicare Administrative Contractor
- OIG: Office of Inspector General
- PCR: Pre-Claim Review
- SVRS: Statistically Valid Random Sample
- UTN: Unique Tracking Number

Why is CMS Conducting this Demonstration?

The Medicare IRF benefit continues to experience high levels of improper payments

- CERT Reports, OIG, DOJ, MedPAC

Purpose of the Demonstration

- Establish a review choice process for IRF services to test improved methods for the identification, investigation, and prosecution of potential Medicare fraud
- Improve compliance with Medicare program requirements to ensure that the right payments are made at the right time for IRF services

Overview of Medicare IRF Benefit

To qualify for the Medicare IRF Benefit a Medicare beneficiary must:

- Require active and ongoing therapeutic intervention of multiple therapy disciplines
- Actively participate in, and benefit from, an intensive rehabilitation therapy program
- Require supervision by a rehabilitation physician
- Require an intensive and coordinated interdisciplinary approach

Demonstration Details

- IRFs located in Alabama
 - Choice Selection Period- 7/7/23 - 8/6/23
 - Reviews Begin – 8/21/23
- Expansion to PA, TX, and CA
- 90 days' notice before expansion
- Future plans
 - MAC jurisdictions JJ, JL, JH, and JE (regardless of where the IRF is physically located)
- 5-year duration

Demonstration Process

IRFs will initially select between two review choices:

Choice 1: Pre-claim review

- Pre-claim review of all claims
- Allows unlimited resubmissions of non-affirmed requests
- Claims associated with a provisionally affirmed request will not undergo further medical review, except in limited circumstances

Choice 2: Postpayment review

- 100% of claims are reviewed after final claim submission
- Follows current postpayment medical review processes
- Default selection if no initial review selection made

Choice 1: Pre-Claim Review

The IRF submits a pre-claim review request to their MAC

- The MAC will review the request
- The MAC will communicate a decision via telephone within 2 business days and in writing within 10 business days
 - A provisional affirmed decision means the claim will be paid as long as all other Medicare requirements are met
 - A non-affirmed decision means the request did not demonstrate that Medicare requirements were met

Choice 1: Pre-Claim Review

If a pre-claim review request is non-affirmed:

- Resolve the non-affirmative reasons and resubmit the pre-claim review request
 - Unlimited resubmissions are allowed prior to the submission of the claim
 - Same review timeframe applies
- The claim can be submitted and denied
 - Standard claims appeals process will apply

If no pre-claim review request was submitted, the claim will be subjected to prepayment medical review.

Choice 1: Pre-Claim Review

- Decision letters are sent to both the requestor and the beneficiary
- They include a Unique Tracking Number (UTN) that must be submitted on the claim
- Non-affirmations will provide details on which policy requirement(s) was/were not met

Choice 2: Postpayment Review

- The IRF will follow the standard intake, service, and billing procedures, and the claims will pay according to normal claim processes
- The MAC will send an ADR letter following receipt of the claim
- The MAC will follow normal postpayment review processes
- IRFs who do not select an initial choice will default to this option

Compliance with Pre-Claim and Postpayment Review

- An affirmation/claim approval rate will be calculated every 6 months
 - Cycle 1: 80% affirmation rate
 - Cycle 2: 85% affirmation rate
 - Cycle 3: 90% affirmation rate
- If the IRF meets the target threshold, they may select a subsequent review choice:
 - Choice 1: Continue with Pre-Claim Review
 - Choice 3: Selective Postpayment Review
 - Choice 4: Spot Check Prepayment Review

*Affirmation rate includes both initial and resubmitted pre-claim review requests

Choice 3: Selective Postpayment Review

- The IRF will follow the standard intake, service, and billing procedures, and the claims will pay according to normal claim processes
- The MAC will select a statistically valid random sample (SVRS) based on the previous 6 months' claim volume
- The MAC will send the IRF an ADR letter and follow CMS postpayment review procedures

Choice 4: Spot Check Prepayment Review

- The IRF will follow the standard intake, service, and billing procedures
- The MAC will randomly select 5% of the submitted claims based on the previous 6 months' claim volume
- The IRF's compliance determines future review choices
- IRFs must meet the target review affirmation/approval rate threshold to be eligible for a subsequent review choice

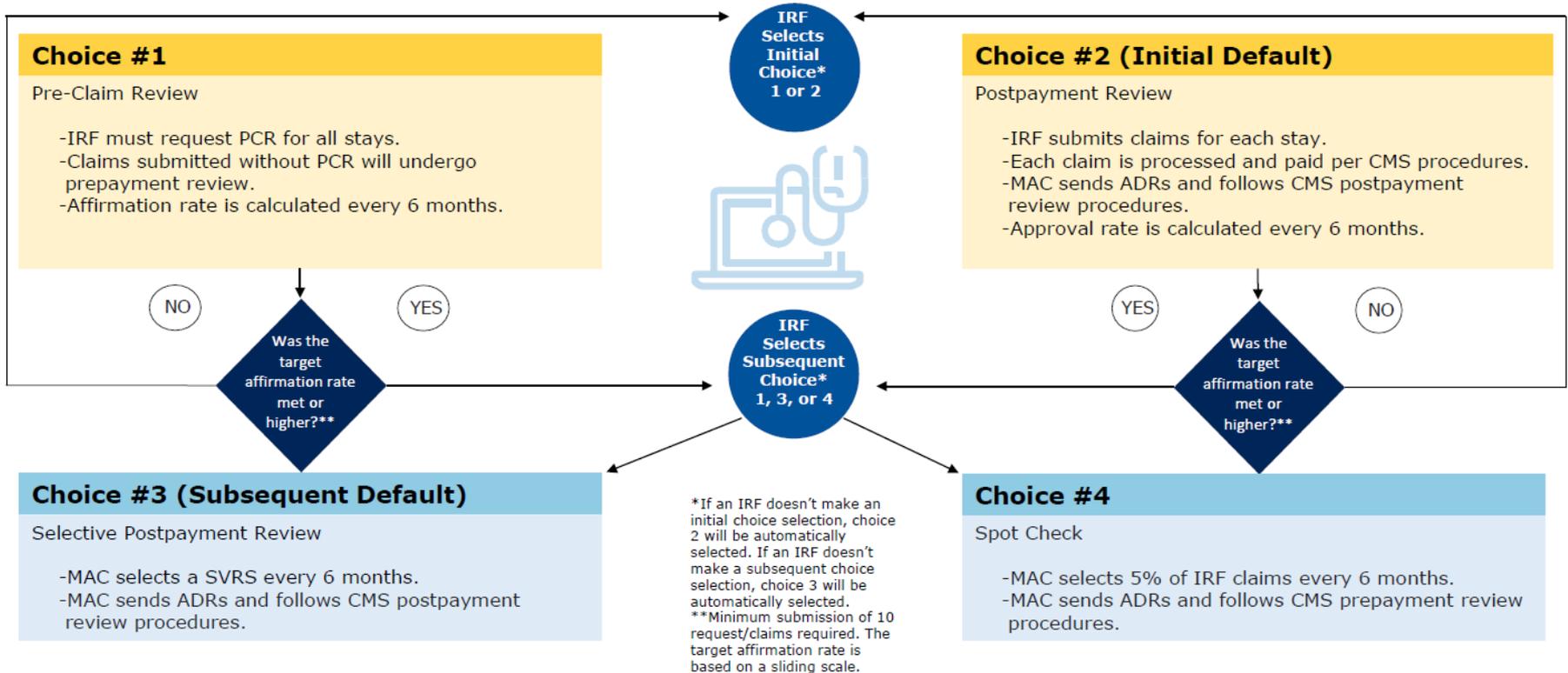
Choice Selection Process

IRFs will have until two weeks prior to the start of the cycle to select an initial review choice

- Choice selection will be made through the MAC portal
- IRFs who do not select an initial review choice will default to Choice 2: Postpayment Review
- IRFs who do not select a subsequent review choice will default to Choice 3: Selective Postpayment Review

IRF RCD Process Flow Chart

Review Choice Demonstration for Inpatient Rehabilitation Facility (IRF) Services



GLOSSARY IRF: Inpatient Rehabilitation Facility
MAC: Medicare Administrative Contractor

ADR: Additional Documentation Request
PCR: Pre-Claim Review
SVRS: Statistically Valid Random Sample



Important Dates

Cycle 1

- Choice Selection Period: 7/7/23 - 8/6/23
- Preparation: 8/7/23 – 8/20/23
- Review Dates: 8/21/23 - 2/29/24
- Analysis of Result & Letters Generated: 3/1/24- 3/31/24

Cycle 2

- Choice Selection Period: 4/1/24 – 4/15/24
- Preparation: 4/16/24 – 4/30/24
- Review Start Date: 5/1/24

Palmetto GBA eServices Portal:

https://www.onlineproviderservices.com/ecx_improvev2/

CMS Oversight

CMS and the MACs will provide outreach and education:

- Dedicated IRF RCD website w/ resources
- Open Door Forums
- Webinars/Teleconferences/Face-to-face meetings

CMS will:

- Review MAC decisions to ensure accuracy of decisions
- Regularly assess MAC data (affirmation/non-affirmation rates, review reason codes, review timeliness)

Resources

CMS Website: <https://www.cms.gov/research-statistics-data-systems/medicare-fee-service-compliance-programs/prior-authorization-and-pre-claim-review-initiatives/review-choice-demonstration-inpatient-rehabilitation-facility-services>

Questions: IRF_RCD@cms.hhs.gov

Palmetto GBA Website:

<https://palmettogba.com/palmetto/jja.nsf/T/Inpatient%20Rehabilitation%20Facility%20Review%20Choice%20Demonstration>

We welcome your partnership and feedback!



Questions?