Save the Stamps: Health Information Handlers Offering Electronic Record Submission for CMS Audits

Save to myBoK

By Louis Galterio, MBA

Healthcare facilities are cutting out the middle man-the post office-by sending audit-requested medical records directly to the federal government using the Electronic Submission of Medical Documentation (esMD) program.

The esMD program has been growing at a fast rate since it was launched by the Centers for Medicare and Medicaid Services (CMS) in September 2011. To date over 78,000 medical record submissions have been sent via the Nationwide Health Information Network (NwHIN) to CMS in response to an audit request for records. The NwHIN was recently rebranded with the name "eHealth Exchange" and is supported by the non-profit organization Healtheway with a goal to focus on cross-industry collaboration that advances health information exchange implementation. esMD allows providers to send medical records electronically to CMS' auditing contractors (RACs, PERMs, MACs, and others) rather than submitting paper records through the mail.

The esMD program directly impacts HIM professionals-the individuals who typically pull and send medical records in response to CMS audits. The manual paper process for submitting requested records is known for being frustrating, slow, and bulky. The esMD program, and the Health Information Handler (HIH) entities that facilitate the record exchange, are working to simplify that process.

Though CMS launched their esMD gateway in September 2011, providers can't just hop on the NwHIN and send records to CMS. They need a gateway portal that helps foster the electronic delivery of requested medical records from a provider to an auditor. Since these gateways can be expensive to develop and maintain, providers have turned to contracting with HIHs-organizations that have built a CMS-certified esMD gateway to facilitate the exchange process.

These HIHs build and service an esMD gateway for multiple provider participants and submit electronic documentation on a provider's behalf to CMS. This process is similar to a provider using a claims clearinghouse to submit claims on their behalf. HealthPort and IVANS were two of the first organizations to become HIHs, but many more across the country have since developed.

HIHs have vast implications for changing the way providers use the NwHIN Connect platform to exchange information. As more providers use HIHs to simplify their audit processes, electronic health information exchange will also increase in usability.

But with so much patient information zipping across the Internet, factors like health information exchange privacy and security must be carefully considered by HIHs and their provider participants.

Why esMD is Needed

In 2011 CMS conducted a pilot that allowed providers to leverage the NwHIN-the open source Nationwide Health Information Network currently expanding into wide public use-to submit electronic medical documentation to CMS in support of claims as part of pre- and post-payment documentation requests. Currently, these documentation requests are largely handled by HIM professionals submitting paper charts. esMD hoped to make the process electronic.

One of the biggest auditors seeking medical records that support claims is the Recovery Audit Contractors (RAC)-a group of private companies located around the country specializing in audits and conducting billing reviews for CMS. The RAC program examines claims submitted by the majority of hospitals in the US to ensure coding was done correctly. The RACs'

mission is to reduce improper Medicare payments through the efficient detection and collection of overpayments, the identification of underpayments, and the implementation of actions that will prevent future improper payments. This audit requires reviewing medical records to see if they back up a selection of claims submitted by the provider.

If errors are found, hospitals have to pay back the improper payments. If the review finds that providers did not receive sufficient reimbursement for their submission, additional payment is sent to the provider from CMS to make up the difference. Though at first a temporary pilot, Section 302 of the Tax Relief and Health Care Act of 2006 made the RAC program permanent.

Submitting RAC-requested documentation electronically using esMD is currently an optional process for providers. Doing so can cut down on time and waste for both providers and payers. CMS currently directs auditors to reimburse hospitals that provide paper inpatient medical records at 12 cents per page. Recently reimbursement has been capped, and there is speculation whether it may be further reduced. The 12 cent per page reimbursement does not apply to other RAC targets-outpatient, Medicaid, MAC, and PERM. Utilizing an HIH to electronically respond to an inpatient Medicare hospital audit instead of using paper or a disc still qualifies the hospital for the 12 cents reimbursement rate.

As the federal government tries to crack down on fraud and overpayments, the number of audits conducted each year has drastically increased. According to the American Hospital Association RACTrac Survey, AHA industry experts believe that reimbursement audits will increase dramatically over the next two years.[1]

It is not just hospitals who will be audited in the future. New audit targets include private practices, Medicare Advantage Plans, and soon accountable care organizations and behavioral care clinics. New RAC pilots are now taking place in long-term care organizations. These programs focus on both prospective claims submissions and retrospective claim payment reviews. As audits increase, providers will search for easier ways to meet audit requirements. esMD, and the HIHs that facilitate it, hope to provide an easy way to meet audits.

HIH Designation an Asset for HIE Vendors

Only a few companies have attained HIH certification from CMS. About 15 of the first certified companies are release of information (ROI) vendors or software companies. HIH capability of any type is now becoming a very important function for ROI vendors. Going forward, it will become very important for ROI and healthcare-related service companies to offer HIH capabilities in some way, according to Steve Socha, COO of BACTES Imaging Solutions, a nationwide ROI and healthcare services company. "The requirements of Recovery Audit Contractors, now established as a permanent program by the Centers for Medicare and Medicaid Services, presents a new set of challenges for healthcare providers," Socha says. "BACTES wants to help organizations assess where they are most vulnerable with the significant risks associated with RACs. HIH fits well into our offering of services."

Though not an ROI vendor, information technology consultant firm SunCoast RHIO is another HIH vendor to launch esMD services. The RHIO, which also offers products and services related to health information exchange, certified EHR software, and compliance and reporting services, gives member provider organizations the ability to capture data such as quality measures, to calculate them, and to report them electronically to CMS, Joint Commission, and other entities. Adding HIH to the RHIO's slate of services fits into their HIE abilities-the capturing and moving of data with consent and under the rules of HIM engagement.

A number of significant reporting initiatives and incentives are going to be tied to electronic submissions similar to esMD in the near future. Use of the NwHIN as an intermediary ensures that provider organizations can worry less about different vendor products working together, since the NwHIN requires certain standards for participation. High costs, integration expenses, technical barriers, and other particulars will be mitigated by using the NwHIN for esMD since vendors will be forced to create gateways that link to the national CMS gateway. By using the NwHIN, the government's Federal Health Architecture becomes the standard that everyone must follow.

Differences Exist Between HIHs

Though there are standards that must be followed, not all HIHs operate in the same way. HIHs have differences in price and business model. CMS doesn't dictate how much HIHs can charge or how they make a profit. Officials from both SunCoast

and Medical Electronic Attachment, Inc. (MEA)-another HIH that created a certified esMD portal-agree that this is a good thing. The market needs to be free to offer different approaches, and the clients need to be free to choose the best solution.

"Market-based pricing and protocols based on demand is a good thing because many providers, such as hospitals, will select an HIH based on their specific document handling needs," says Nicole Smith, national director of government services at MEA.

MEA electronically connects health plans to the medical records contained in their contracted providers' facilities over 1 million times a month through their proprietary solution. MEA's HIH tool allows providers to capture, store, and transmit requested medical documentation through their esMD gateway.

While MEA has an approach similar to other HIHs when it comes to transmitting medical records-transmitting records from the provider to the HIH and then from the HIH to CMS-there are differences.

SunCoast RHIO works closely with member organizations onsite or through a proprietary portal that is only open during the time of the audit transmission. This is to ensure security for the portal. However, the MEA portal is more mature and is always open for secure use by its large customer base. Both companies track that the data is sent, acknowledged, and verified as received by the CMS gateway. As HIPAA business associates, all HIHs must have a Data Use and Reciprocal Support Agreement (DURSA) in place to cover the personal health information transmissions. This is a requirement by CMS and is a condition to being certified as an esMD HIH provider. The HIHs share liability with the provider for protecting health information during transmission activity.

MEA's HIH desktop application uses a variety of image capture methods to acquire images from the provider, such as print capture and scanning technology. The application renders the paper chart into a PDF, the format requirement of the esMD gateway. Since the HIH gateway accepts encapsulated unstructured PDF claims data in a Continuity of Care Document (CCD)format known as C62, hopes are high at MEA, SunCoast, and other HIHs that other kinds of market uses-such as health information exchange, reporting quality measures, or responding to CMS and ONC for stage 2 "meaningful use" EHR Incentive Program reporting and EHR attestation audits-will evolve from this approach.

SunCoast offers HIH services as part of a membership or, if the customer chooses, a la carte. Many early members of the SunCoast RHIO like the membership model since it offers different tiers of service tied to fixed monthly charges.

In addition, SunCoast is also finding an HIH market for an entirely different customer type-those who want to build or lease a gateway and seek HIH expertise in doing so.

Both SunCoast and MEA offers full service-MEA includes their claims attachment software, while SunCoast offers HIE and quality reporting-through a fully compliant NwHIN CONNECT gateway. The ability of many HIHs to offer services for a variety of providers and use cases is growing daily. But most offerings are young and can't do it all.

"CMS routinely rolls out new 'use cases' for esMD, which are not mandatory, and many HIHs may choose not to offer support for these use cases because of the ongoing, additional costs," Smith says.

Full service HIHs, such as MEA and SunCoast, also offer a la carte solutions for those hospitals that don't want or don't need features to support every use case. MEA offers HIH services as a stand-alone product or as a value-added feature of its existing service contract with hospitals and providers.

Some HIHs base pricing on the transaction, some on subscriptions, some on memberships, and others offer services free as part of other contracts. As the electronic landscape changes, new pricing models will appear.

"HIH's are competitive and they are not restricted to geographies," Smith says. "However, they are not all competing for the same customer."

Direct Benefits of Using an HIH

Using an HIH means the provider gains speed in the processing of their audits. This speed translates into dollars, since the hospital's cash is not tied up as long during lengthy audit reviews. Use of an HIH also ensures a timely response to requests and secure transmission of medical records.

HIHs claim that electronic submission is the most reliable means when dealing with time sensitive audits, versus sending records through the ground mail service, which at times can be unreliable or slow. Electronic submissions also ease the administrative burden CMS audits can cause for hospital staff. Less staff is needed for audits that are processed using esMD, even as audit rates go up, since current staff can use HIH tools instead of hiring and training new temporary help to assist with the audit process.

A longer term benefit to using an HIH is that they can act as an incentive to set up a hospital's cross-boundary or cross-departmental electronic infrastructure. Linking with an HIH can bridge the HIM department with the IT department as well as with the quality assurance, compliance, business office, and other revenue-driven departments. Because HIM departments must deal with information from different systems such as lab, ADT, and billing, they are the one place all of the information and the systems that support them come together.

This prepares the HIM department to be ready for future revenue reporting activities related to quality, efficiency, and claims based on the meaningful use program. When this coordination is achieved, it means more available cash to the hospital as CMS and commercial payers move towards value-based initiatives and online reporting. Reporting quality measures faster means getting reimbursed sooner and being able to respond to quality and claims audits more quickly. This equates to a shorter time frame that a hospital is unsure of the outcome of an audit, translating to a faster reporting time for incentives.

Another benefit is that the physical records never leave the hospital, and are therefore physically more secure. Anecdotal reports of RAC contractors "losing" a patient record after the hospital has sent the paper chart by certified mail continue to haunt HIM professionals. The HIH using the esMD gateway will receive and relay a confirmation from the RAC contractor within 24 hours after transmitting the electronic document.

A Health Information Handler is essentially taking part in a health information exchange (HIE) through esMD. An esMD HIH can join the NwHIN eHealth Exchange without a federal contract, grant, or agreement with ONC, according to the CMS esMD website. The exchange is part of the Federal Government Health Architecture and is being utilized by many other agencies such as the Social Security Administration, state HIEs, and others. The success of the esMD program could set the precedent for similar programs to use the NwHIN gateway, and could set the standard for document exchange nationwide. Providers using an HIH would already be attached to the HIE network.

Some Hesitant to Embrace esMD

Despite the benefits, some hospitals may be resistant to this change. There is a growing "numbness" among some healthcare providers given the avalanche of new health IT programs and initiatives coming out seemingly every day. Many hospitals are barely able to continue business as usual with their current projects. Some feel there is no reason to change things when the current processes seem to be working well enough.

There is also a resistance to giving out more and more information to third parties and a fear that making the record submission process easier could open a hospital to more intense RAC scrutiny and utilization reviews. However, CMS has directly stated that using an HIH doesn't increase RAC scrutiny. The data is already out there, even when facilities send it on CD or paper.

Some providers feel that the 12 cent per page reimbursement RAC auditors give is money that would go away with esMD. However, the workload associated with manual audit processes is far more expensive than the 12 cent per page reimbursement.

And the 12 cent per page reimbursement is not guaranteed. CMS has already limited the maximum reimbursement paid to hospitals to $25 per case-each case is roughly 208 pages per response-while increasing audits at the same time. And a number of public statements by CMS have made it clear that throwing piles of paper at a RAC auditor does not put a hospital in the best light-and may even be cause for the RAC auditor to take a closer look at their case.

There is no rule that says a hospital must use someone else's product, or an HIH, to take part in the program. Much like HIEs, many hospitals would prefer to develop and run their own system rather than depend on another third party. But a very real downside to the esMD program is the technical and programming difficulty inherent in creating and maintaining an esMD gateway. Not only is the coding and programming maintenance difficult with an esMD CONNECT gateway project, there are

few professionals with the expertise to build and maintain the gateway. If facilities choose to build their own esMD gateway instead of contracting with an HIH, they should follow CMS guidelines and get necessary help to ensure their processes are sound and secure.

Even when using an HIH contractor, there is some work involved for the provider and processes must be learned. Different HIHs offer different features, and hospitals should read all the details before signing a deal with an HIH.

For example, HIM professionals submitting to an HIH esMD gateway may face file size limitations. If a single batch of patient charts exceeds a 19 megabyte file size limitation, the HIM professional will have to manually break up the file, which could slow down their work.

"When looking for an HIH, they want to ask, will this responsibility fall on the HIM professional or will the HIH handle the size limitation," MEA's Smith says.

Key Role for HIM Professionals

Those who fear or shun technological advances should realize that the old way of doing business is slowly going away-as evidenced by esMD. Electronic expertise is going to be a critical skill as the healthcare horizon changes, and HIM professionals are best suited to learn how to work with an esMD gateway. HIM professionals should not view esMD or HIH knowledge as just another drudgery task that has to be added to an already huge workload. The skills present an opportunity to be an internal consultant in high demand.

Note

1. Amercian Hospital Association. "RACTrac: Exploring the Impact of the RAC Program on Hospitals Nationwide." Q2 2012. www.aha.org/content/12/12Q2ractracresults.pdf.

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