



# **Review Choice Demonstration/TPE for Inpatient Rehabilitation Facility Services**

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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

# Targeted Probe and Educate

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- Most MACs are conducting some level of TPE on IRF claims
- There have been some administrative issues that CMS is working through
- There have also been some review questions that CMS is discussing with policy and coverage staff

# SMRC IRF Reviews

- Ongoing
- Time Period for Review is March 20-December 20
- Excluded claims with the DS modifier
- Adhering to all waivers
- If you feel after the fact that the DS modifier does apply to the claim, ask for a discussion and education session

# Why is CMS Conducting this Demonstration?

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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 a 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

# 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

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- 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



# Choice Selection Process

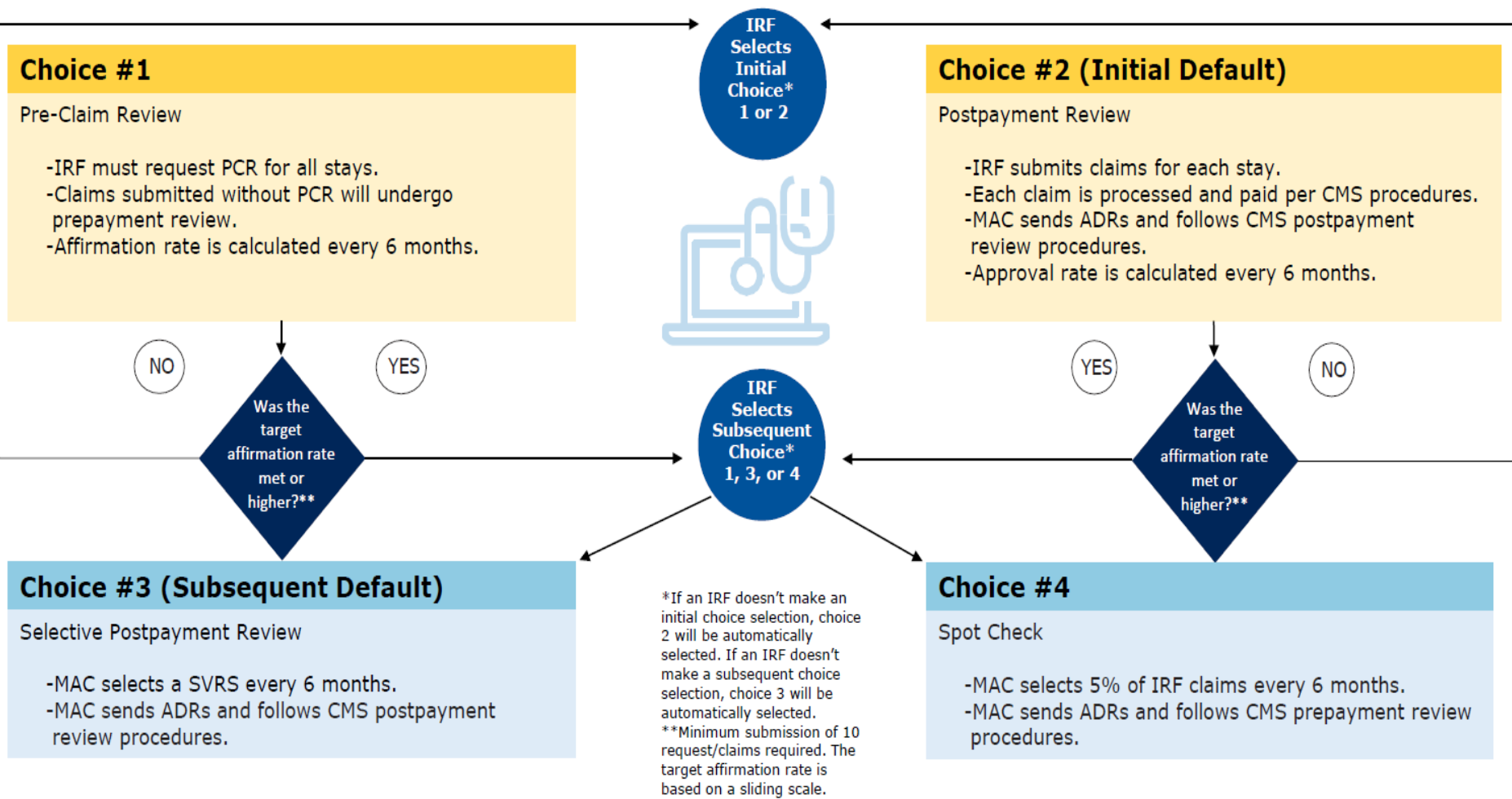
IRFs will have until two weeks prior to the start of the cycle to select an initial review choice

- 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

# 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/](https://www.onlineproviderservices.com/ecx_improvev2/)

# 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



# 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](mailto: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?