# Introducing Electronic Submission of Medical Documentation (esMD) to NCVHS

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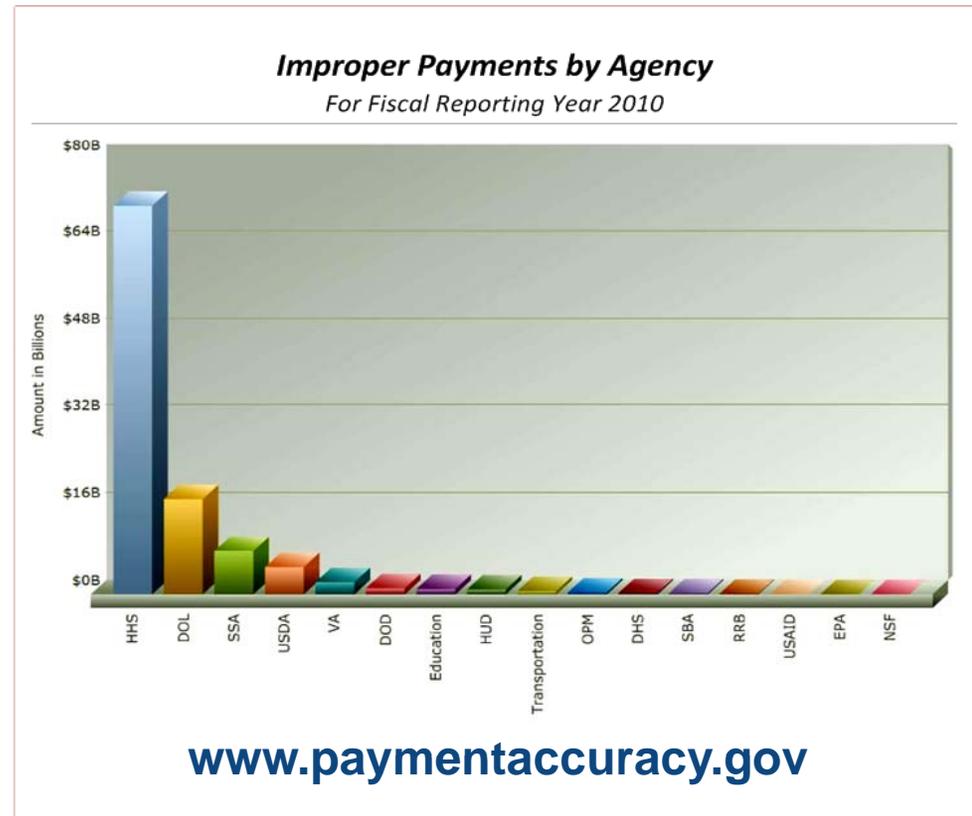Deputy Director, Provider Compliance Group

Office of Financial Management

Centers for Medicare & Medicaid Services

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# Improper Payments

- ➤ CMS' Office of Financial Management estimates that <u>each year</u>

  - the Medicare FFS program issues more than **$34.3 B** in improper payments (error rate 2010: **10.5%**).

  - the Medicaid FFS program issues more than **$22. 5 B** in improper payments (3-year rolling error rate: **9.4%**).

- ➤ Medicare receives **4.8 M** claims per day.

- ➤ Most improper payments can only be detected by a **human** comparing:

  - a **claim** to
  - the **medical documentation.**



**Improper Payments by Agency**
For Fiscal Reporting Year 2010

**www.paymentaccuracy.gov**

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**What are the Provider Compliance Group's business needs for medical documentation?** (question 1)

CMS/OFM/PCG Contractors need medical documentation to **find, prevent, and measure** improper payments on Medicare and Medicaid Claims

# Medical Documentation Requests

➢ **Who sends Medical Documentation Requests?**

- Medicare Administrative Contractors (MACs) Medical Review (MR) Departments
- Comprehensive Error Rate Testing (CERT) Contractor
- Payment Error Rate Measurement (PERM) Contractor
- Medicare Recovery Auditors (formerly called RACs)

"Review Contractors"

➢ **How many medical documentations requests are sent each year?**

- MACs issue over **1 million** requests for medical documentation each year.
- Beginning in 2012, Medicare Recovery Auditors are expected to issue about **1 million** requests for medical documentation each year.

➢ **What are the Top 10 types of services for which Review Contractors request medical documentation?** (question 2)
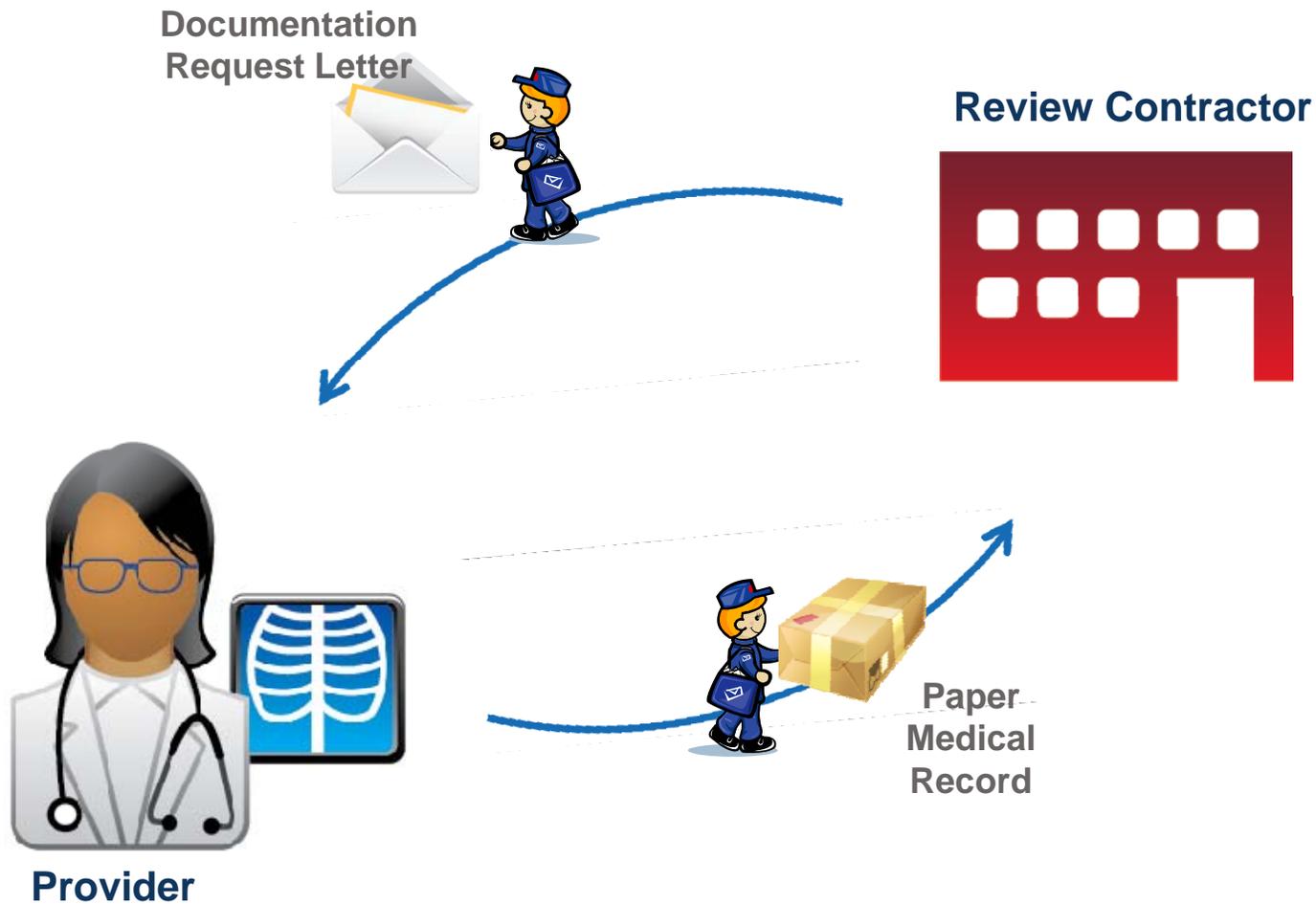
- Anything that is billed to Medicare and Medicaid may be requested by the Review Contractor
- Most Common:
  o Inpatient Hospital  Services/ Outpatient Hospital Services
  o Physician  Services
  o Durable Medical Equipment
  o Hospice and Home Health Services

➢ **How Providers respond:**

- Mailing paper
- Sending a fax
- Effective 9/15/2011, Electronic Submission of Medical Documentation

# Today's <u>Paper</u> Medical Documentation Process

**Documentation Request Letter**

**Review Contractor**

**Paper Medical Record**

**Provider**

# How Do Review Contractors Request Documentation Today? (question 3)
# How Do Providers Submit Requested Documentation Today? (question 4)
# How Do Providers Submit Unsolicited Documentation Today? (question 5)

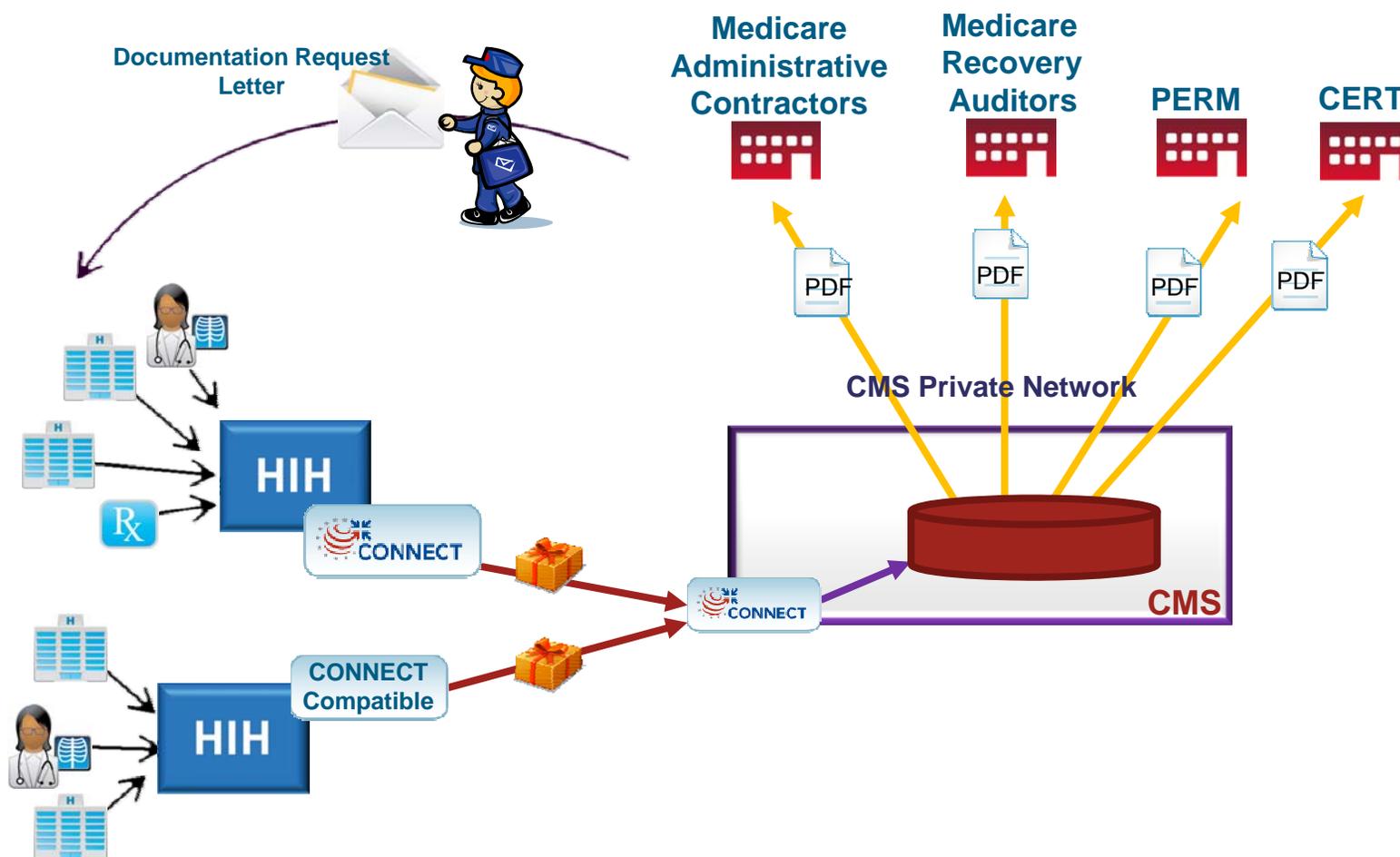| Submission Pathways | Claims/ Claim Status/ Remittance | Review Contractor Requests | Providers Submitting Requested Documentation | Providers Submitting Unsolicited Documentation |
|---|---|---|---|---|
| Paper | rarely | Yes | Yes | Yes, starting in ___ |
| Fax | rarely | No | Yes | Yes, starting in ___ |
| Traditional Medicare Connectivity | yes | No | Today: no  Future: Planned for 2016 | Today: no  Future: Planned for 2016 |
| MAC Portal Connectivity | ??? | No | Today: 1 MAC  Future: more MACs | Today: 1 MAC  Future: more MACs |
| esMD Connectivity | Today: no  Future: Possible but not planned | Today: no  Future: Planned for January 2013 | Today: yes at most Review Contractors  Future: yes at all Review Contractors by January 2012 | Today: no  Future: exploring for Spring 2012 |

# The Nationwide Health Information Network

➢ is a set of **standards, protocols, legal agreements, and specifications** that a consortium of health information organizations have agreed are necessary for **secure and private** exchange of health information over the public internet.

➢ is overseen by the Office of the National Coordinator for Health IT (ONC)

➢ Includes a standard for a secure **"Gateway"**

esMD transactions are SAFE and SECURE because
the esMD system uses **NHIN standards**

esMD transactions may be LESS EXPENSIVE to a provider than
Medicare's traditional connectivity because
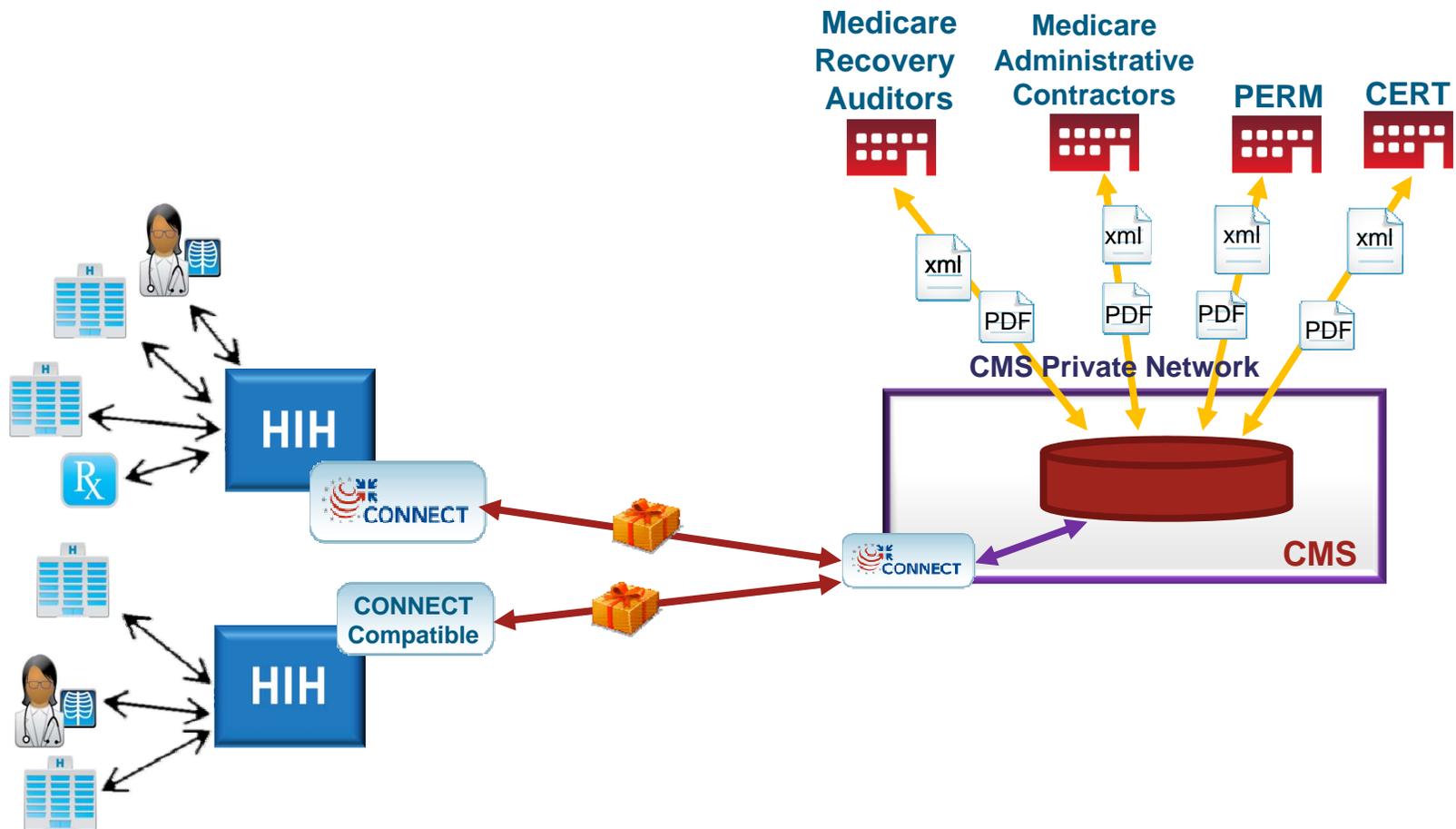the esMD system uses **the public internet**

# esMD Phase 1: Went Live September 2011



esMD Phase 1 is NOT mandatory for providers.

Providers who want more information about using esMD should visit www.cms.gov/esMD and look for the link called
**Which HIHs (Health Information Handlers) offer esMD Gateway services**

# esMD Phase 2: Planned for January 2013



esMD Phase 2 will NOT be mandatory for providers.

# Current and Future Use Cases for esMD

INBOUND
- 2011
  - Responses to Documentation Request Letters in PDF/XDR format

- 2012
  - Response to Documentation Request Letters in PDF/X12 format
  - Appeal Requests in PDF
  - Advance Determination of Medicare Coverage (ADMC) Requests in PDF
  - Unsolicited Documentation in PDF (called paperwork or "PWK")

- 2013
  - Structured Orders with author-level cryptographic verifiable signature
  - Structured Progress Notes with author-level cryptographic verifiable signature
  - Structured esMD Phase 2 Registration with author-level cryptographic verifiable signature

OUTBOUND
- 2013
  - Structured Outbound Documentation Requests

- 2014
  - Review Results Letters
  - Demand Letters

LOOKUP
- Request\Receive Documentation Status
- Request\Receive Claim Status
- Request\Receive Appeals Status
- Request\Receive Eligibility Info

The esMD payloads are developed by the ONC's NHIN "Specification Factory" headed by Craig Miller, a Vangent employee under contract to ONC.

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Are there enough staff
to create all these payload in a timely manner?

9

# What are the Requirements for Signatures in Medical Documentation? *(question 6, question 8)*

- ➢ Medicare may cover an item or services only when:
  - ▪ There is valid physician signature in the medical documentation
  - ▪ The documentation is properly dated (e.g., the date of the original text is dated, all strikeouts are dated, etc)
- ➢ CMS Review Contractor instructions in the Program Integrity Manual:
  - ▪ For Pen & ink signatures: extensive instructions
  - ▪ For printouts/pdfs of EHR signatures: CMS instructions defer to Review Contractor discretion
  - ▪ For structured output from EHRs: CMS instructions are silent

**Providers will likely NOT begin submitting medical documentation in structured form until CMS defines an acceptable signature for Medicare coverage purposes**

- ➢ CMS has recently partnered with ONC to launch the "esMD Initiative"
  - ▪ CMS is proposing to gather cryptographic verifiable signatures at the author level and is seeking public input

*What are the areas where national standard business rules are needed? (question 11)*

***We must have national standard business rules aimed at allowing cryptographic verifiable author-level signatures to be captured at the time of service and sent to payers when documentation is being submitted***

# What are CMS/PCG's Perspectives on Structured vs Non-Structured Documentation? *(question 7, question 9)*

➤ We believe non-structured (human readable) electronic documentation is better than paper.

➤ We believe structured (computer readable) electronic documentation is better than non-structured documentation but only if:

- The structured documentation contains every data element from the medical record entry (e.g. is not a summary but is the full note, full order, full discharge summary, the date, etc)
- The structured documentation contains a cryptographic verifiable author-level signature

# What are PCG's Perspectives on Requiring a Specific Data Element Rather Than a Full Document? *(question 10)*

- ➢ For many improper payment reviews, the Review Contractor needs to see the full document.

  - ▪ Example: The OIG has found that some labs attempt to "game the system" by inappropriately bundling or unbundling the services on the claim form. Only by seeing the full document can the Review Contractor determine if an improper payment exists.

# Closing Thoughts

- Thank you for inviting me.

- esMD is an exciting CMS program that has the potential to reduce time and paperwork costs for providers and the American taxpayers who pay the Medicare Review Contractors.

- I encourage the Committee to endorse esMD and to encourage providers to use it.

- CMS cannot expand esMD to its full potential until we solve the author-level signature issue.

  - CMS cannot tackle the author-level signature alone.

  - Help us find the right partners to solve this problem.

- Welcome input and recommendations from the Committee

- I'll turn it over to the Chairman of ONC's "NHIN Spec Factory," Craig Miller

# For More Information

To contact anyone on the esMD Team:

**esMDTeam@qssinc.com**

CMS esMD Website:

**www.cms.gov/esMD**

CONNECT Website:

**http://www.connectopensource.org**

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