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## Urgent!!CMS to resume healthcare provider audits Aug. 3

1 message

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To: theleadershipgrp@mindspring.com

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HomeTown Health CEO's and Senior Staff:

Reference: [Be aware!](#) **CMS to resume healthcare provider audits Aug. 3**

TARA BANNOW | MODERN HEALTHCARE

CMS will resume auditing healthcare providers' Medicare claims in two weeks, months after suspending such work due to COVID-19.

The agency performs a variety of fee-for-service claims reviews, many through private contractors, to ensure hospitals, physician clinics and other healthcare providers weren't overpaid for services. It temporarily put most audits on hold in March when providers were forced to suspend nonurgent procedures and some began laying off and furloughing employees. CMS on Aug. 3 plans to resume its enforcement actions "regardless of the status of the public health emergency," the agency [announced in a recent notice](#).

That could present a challenge for providers, some of whom are still seeing a steady influx of coronavirus patients. Hospitals in Houston and parts of Florida are [experiencing dramatic surges](#).

"I think the administration has decided it has to act as if COVID is over," said David Glaser, a shareholder with Fredrikson & Byron in Minneapolis, who helps providers comply with audits. "That will come as a shock to much of the healthcare industry, which is in the throes of a nightmare."

For some providers, it's possible the employees who normally would respond to an audit are still furloughed. Many providers [sent their workers home](#) without pay during the pandemic to preserve cash as staffing and supply costs ballooned and procedure revenue tanked. While providers like [Mayo Clinic in Rochester, Minn.](#) and [Chattanooga, Tenn.-based Erlanger Health System](#) have brought those workers back, most health systems that announced furloughs have been silent on that front.

The biggest challenge for providers will be reacting to audit requests in a timely manner, especially given up to 20% of the administrative workforce that normally responds to them is currently furloughed, said Rick Kes, a partner and healthcare senior analyst with RSM.

"Right now, they don't think they can handle it, more or less," he said.

In normal times, responding to a CMS audit would be a typical part of business operations, Kes said. But some hospital volumes are only at 80% or less of pre-pandemic levels, and many hospitals still can't afford to staff like they normally would, he said.

In some cases, responding to an audit entails having a physician, nurse or other medical provider supplement the information in their records. That could be difficult in areas where front-line caregivers are busy treating coronavirus patients.

The federal government eased a number of regulatory compliance rules during the pandemic to help providers, such as those guiding telehealth visits and not requiring signatures on durable medical equipment orders, said Knicole Emanuel, a partner in Potomac Law Group's North Carolina office. A big concern among providers is whether CMS' auditors will remember all of those exceptions.

Providers appreciated having those burdens relaxed during a difficult time, but Kes agrees the big question now is whether auditors will be up to speed on all the exemptions that were made. He said providers would prefer CMS hold off on audits for a few months so they can bring all their staff back and auditors can be fully trained on the rule changes that were made.

A CMS spokesperson said in a statement on Monday that the agency announced it would resume the audits on July 7, giving providers almost four weeks' notice.

"CMS is committed to ensuring that medical review continues while minimizing provider burden as much as possible," the statement said. "Providers who need additional time to respond to record requests and have other hardships because of COVID-19 should contact their Medicare Administrative Contractor for assistance."

To prepare for an audit, Emanuel recommends providers ensure their documentation is thorough and kept in a consistent location that's not affected by attrition among executives.

Another key task is designating someone in the office to capture the daily guidance CMS issues and keeping those documents in a file, Glaser said. This is important because it's not always clear when guidance changes, he said. Once the old versions disappear from the agency's website, they're no longer easily accessible.

"If you're trying to find out what the state of instructions was on July 1, it would be very, very difficult a year from now," Glaser said.

In that vein, Glaser also recommends obtaining transcriptions of the CMS' office hour calls. With so many people, especially back-office employees, working from home, it's easy to forget to check the mail that's delivered to the office, Glaser said. Organizations have gotten used to corresponding solely via email, but audit requests will likely arrive via snail mail.

"Even pre-COVID, making sure the audit letters get to the right person in a timely fashion is often a challenge," Glaser said.

Thanks,

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