

Report on Medicare Compliance Volume 28, Number 18. May 13, 2019 Providers That Fail Three TPE Audits May Get a Fourth; CMS ‘Pauses’ QIO Short-Stay Reviews

By Nina Youngstrom

Some providers are audited a fourth time under Targeted Probe and Educate (TPE), according to CMS. When they don’t improve their compliance after three audits of a billing error and education sessions with their Medicare administrative contractor (MAC), hospitals and other providers are referred to CMS—and that’s been the case for 30% to 40% of Medicare Part A and B providers after the third round of audits, according to materials presented May 8 at CMS’s National Provider Compliance Conference in Denver, Colorado. They then face a fourth audit. MACs have referred 25% to 35% of home health agencies and 15% to 25% of durable medical equipment (DME) suppliers that didn’t pass the third round of TPE audits to CMS.

The fourth audits are a departure from the expected consequences of three failed audits under TPE, CMS’s national medical review strategy. MACs start with a prepayment review of 20 to 40 claims, and there’s round two and education for providers with “moderate and high error rates,” and then wash, rinse and repeat if the errors persist. Providers that are still flunking after three rounds were originally told they would face extrapolation by CMS, referral to a recovery audit contractor or unified program integrity contractor (UPIC), or 100% prepayment review—but for now, at least, there’s a fourth audit.

“The fact that CMS would not confirm that any provider has been referred to the RAC or UPIC should not result in providers letting down their guard,” says Ronald Hirsch, M.D., vice president of education and regulations for R1 RCM. A CMS official disclosed the use of the fourth audit at the conference, Hirsch says. “I would recommend that providers continue to monitor their MAC’s TPE issue list, and perhaps all MACs’ lists, and perform internal audits.”

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