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As COVID-19 Audits Ramp Up, Expect Broad Documentation Requests from Payers, HRSA

By Nina Youngstrom

Audits of COVID-19 claims are ramping up, with private payers and a contractor for the COVID-19 uninsured program apparently taking the lead, although Medicare auditors are probably not far behind, experts say. Auditors are focused on COVID-19 tests and potential upcoding of evaluation and management (E/M) services provided in connection with the tests; they're expected to look at coding and documentation of COVID-19 diagnoses as well. Providers should brace for a high volume of medical record requests that sometimes are unusually broad in scope.

Audits under the Health Resources and Services Administration (HRSA) COVID-19 uninsured program are "gaining traction," said Christopher Parrella, founder of Parrella Health Law in Boston. The uninsured program reimburses providers for three categories of COVID-19 services—testing, treatment of patients who have a COVID-19 diagnosis and vaccine administration—provided on or after Feb. 24, 2020, if they meet certain terms and conditions.^[1] Among other things, providers must maintain appropriate documentation and agree that all claims submitted are complete, payments are final and there won't be any adjustments. If providers later receive payments from another source for services reimbursed from the uninsured program, they will pay HRSA back.

But the audit contractor reviewing claims on behalf of HRSA is asking for documents that don't speak directly to the terms and conditions of the program, he said. "There are requests being made that go beyond what is required of the provider in the terms and conditions," Parrella said Aug. 31 at the Collaborative Compliance Conference, sponsored by AAPC and the American Health Law Association.^[2] "How they will utilize that documentation or lack thereof within any type of post-payment theory of liability, I don't know." For example, the auditor is requesting ancillary records, such as provider contracts with "serviced entities," Parrella said. An example of a serviced entity is a school or other site the provider contracted with for COVID-19 testing. "Think about all the different types of serviced entities that did COVID-19 testing during the pandemic," he said. "Why is that even relevant? I'm not exactly sure why they're requesting the information." The auditor is also pulling very large samples—130 to 300 plus records per provider, Parrella said.

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