Bringing it All Together – Compliance and the Revenue Cycle

DHA UBO Support

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This webinar will focus on various compliance requirements from intake/registration to claim adjudication in the MHS Revenue cycle. It will provide attendees with the necessary tools to maximize collection activities while following DoD payer guidelines and operating at optimal compliance levels during each stage of the revenue cycle. A brief historical overview will be provided along with UBO User Guide and Manual References.

- **Importance of Third Party Payer (TPP) Revenues & Regulatory Foundations**

- **Overview of Compliance Program**

- **Executing Compliance within the MHS Revenue Cycle**

- **DHA UBO User Guide and DoD Manual Reference**

Importance of Third Party Payer (TPP) Revenues & Regulatory Foundations

Money collected from third party payers (TPPs) serves a critical purpose for MTFs:

- All funds collected are retained *by your MTF*
- TPC funds are *in addition to* each MTF's O&M budget
- Adhering to key federal regulations; UBO policies and procedures and your local MTF guidance will minimize funds that are lost to fraud, waste, and abuse
- Comes down to the basic question:

Where do you want potential revenues to go?

32 CFR §220.2   Statutory obligation of third party payer to pay.

(a) *Basic rule*. Pursuant to 10 U.S.C. 1095(a)(1), a third party payer has an obligation to pay the United States the reasonable charges for healthcare services provided in or through any facility of the Uniformed Services to a covered beneficiary who is also a beneficiary under the third party payer's plan. ***The obligation to pay is to the extent that the beneficiary would be eligible to receive reimbursement or indemnification from the third party payer if the beneficiary were to incur the costs on the beneficiary's own behalf.***

(b) *Application of cost shares.* If the third party payer's plan includes a requirement for a deductible or copayment by the beneficiary of the plan, then ***the amount the United States may collect*** from the third party payer ***is the reasonable charge for the care provided less the appropriate deductible or copayment amount.***

(c) *Claim from United States exclusive.* ***The only way for a third party payer to satisfy its obligation*** under 10 U.S.C. 1095 ***is to pay the facility*** of the uniformed service or other authorized representative of the United States. ***Payment by a third party payer to the beneficiary does not satisfy 10 U.S.C. 1095***.

Overview of Compliance Program

- A compliance program is comprised of ***systematic procedures*** instituted by an organization to ensure that the provisions of the regulations imposed by a government agency are ***being met***.

- The Uniform Business Office (UBO) Compliance Program ***demonstrates MTF commitment*** *to honest and responsible conduct*, ***decreases the likelihood of unlawful and unethical behavior*** at an early stage, and ***encourages employees to report potential problems*** to allow for appropriate internal inquiry and corrective action.

- Each Medical Treatment Facility (MTF) must establish a ***UBO Compliance Plan and perform regularly scheduled compliance audits*** to provide uniform guidance for UBO billing and accounting activities. These plans outline collection compliance guidance for the Medical Services Account (MSA), Third Party Collection Program (TPCP), and Medical Affirmative Claims (MAC). The ***UBO Compliance Plan is a comprehensive strategy***:
  - That claims submitted to all payers, including private, government (Medicare and Medicaid), and other Federal agencies and individuals are consistently accurate.
  - That accounting of collections is consistently accurate.
  - That UBO employees comply with the applicable laws, DoD policies and regulations, and payer requirements relating to its participation in these programs.

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- **Element 1. Written Policies and Procedures** (Standards of Conduct, Risk Areas, Claim Development and Submission Process , Health Insurance Portability and Accountability Act of 1996, Credit Balances , Integrity of Data Systems , Retention of Records , Compliance as an Element of a Performance Plan)

- **Element 2. Designation of a Compliance Officer and a Compliance Committee**

- **Element 3. Conducting Effective Training and Education** (Initial and Annual Compliance Training)

- **Element 4. Developing Effective Lines of Communication** (Access to the Compliance Officer, Forms of Reporting Complaints or Questions)

- **Element 5. Enforcing Standards through Well-Publicized Disciplinary Guidelines** (New Employee Policy, Disciplinary Action Policy)

- **Element 6. Auditing and Monitoring** (Post-submission Reviews, UBO Quarterly Compliance Audits, UBO Compliance Plan Effectiveness)

- **Element 7. Responding to Detected Offenses and Developing Corrective Action Initiatives** (Violations)

Compliance webinar is available on the DHA UBO Learning Center at http://www.tricare.mil/ocfo/mcfs/ubo/index.cfm

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- ***Employees are expected to follow the standards set forth in this Compliance Plan***, as well as all applicable laws.
- Employees will conduct business and personal activities with the ***highest level of integrity***.
- ***No employee shall make, file, or use any false, fictitious, or fraudulent statements*** or documents in connection with the delivery of, or payment for, health care benefits, items, or services.
- ***No employee shall falsify, conceal, or cover up a material fact*** in the performance of their duties.
- ***Each employee will be responsible for reporting any violations*** of this plan to their immediate supervisor or the Compliance Officer, as appropriate.
- ***Employees will follow the business rules and procedures*** outlined in outlined in DoD 6010.15-M., Uniform Business Office Manual, and Service and NCR MD specific guidelines.
- ***Employees will posses the necessary skills***, quality assurance processes, systems, and appropriate procedures to ensure that all billing for government and commercial insurance programs are accurate and complete.

How do I make sure I am following my MTF's Compliance Plan?

Executing Compliance within the MHS Revenue Cycle

MHS Revenue Cycle Management (RCM)
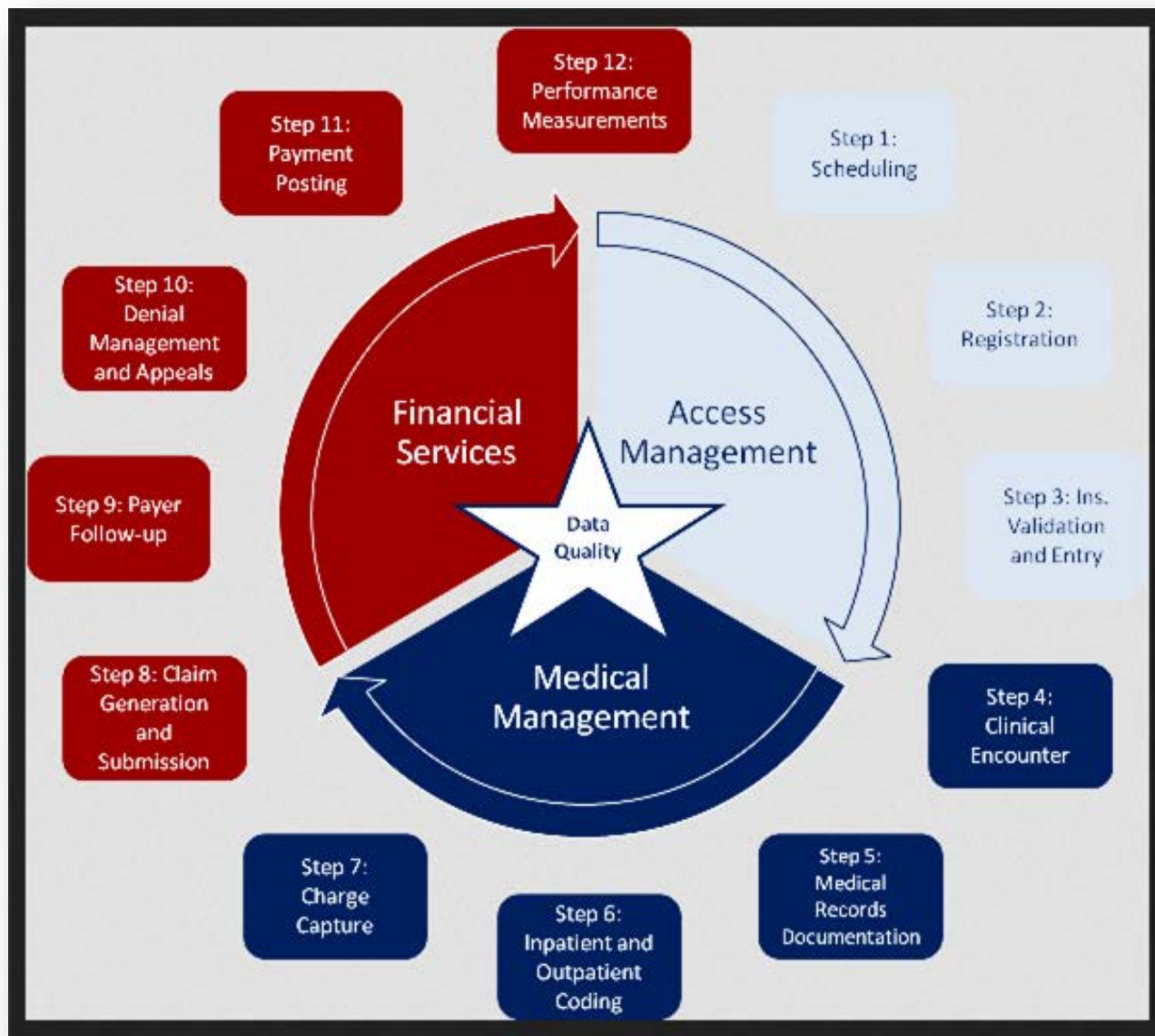
Compliance is part of every process within the Revenue Cycle!

Known Risk Areas

HIPAA*, Patient Documentation, DD Form 2659

Medical Records Accuracy and Documentation

Up-Coding, Coding Timeframes

Unbundling, Billing Rates, Duplicate Claims

Denials, overpayments, underpayments and refunds

MHS Revenue Cycle

Patient Access Management
1. Scheduling
2. Registration
3. Insurance Validation and Entry

Medical Management & Charge Capture
4. Clinical Encounter
5. Medical Records Documentation
6. Inpatient and Outpatient Coding
7. Charge Capture

Patient Financial Services
8. Claim Generation and Submission
9. Payer Follow-up
10. Denial Management and Appeals
11. Payment Posting
12. Performance Measurements

Revenue Stream begins with patient seeking care…

We will revisit each of the known risk areas in detail and identify activities to be mindful of along with corresponding UBO Manual and User Guide references.

…Revenue Stream ends when payment is received and claim is closed.

*Health Insurance Portability and Accountability Act (HIPAA): **Federal Law that protects a patient's health information and privacy**

DHA UBO User Guide and DoD Manual Reference

UBO Manual (DoD 6010.15-M)

- Issued (2006) under the authority of DoD Instruction 6015.23, "Delivery of Healthcare at Military Treatment Facilities (MTFs)"
- It prescribes uniform procedures for the management and follow-up of accounts, including recovery, depositing, posting, and reconciliation.
- It also incorporates procedures for third party collection activities, such as identification of beneficiaries who have other health insurance, coordination of benefits, and recovery of claims.

Compliance and User Guide webinars are available on the DHA UBO Learning Center at http://www.tricare.mil/ocfo/mcfs/ubo/index.cfm

UBO User Guide

- Provides functional guidance on data collection and UBO practices and billing procedures for Military Treatment Facilities (MTFs).
- Living document that is updated by the DHA UBO Program Office in coordination with the Services and NCR MD as necessary.

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ID	Process	Risk Area(s) / Audit Areas
1	PATCATs are directly linked to UBO billing and tell what reimbursable rate (if any) is applicable for the healthcare services provided, what billing forms are used, and which cost recovery program is responsible for billing the encounter.	• *Using improper Department of Defense (DoD) billing rates* • *Is there an MTF process for on-going education of all intake staff (Admission & Disposition) to ensure correct PATCAT assignment?*
2	Upon arrival for care, the patient must present proof of eligibility for care in an MTF.	• *Failure to maintain the confidentiality of information/records*
3	The source of OHI information is the DD Form 2569, which is completed by patients during registration. All patients (excluding active duty) are required to complete or update a DD Form 2569 annually or whenever their OHI status changes.	• *Is there an MTF process to register patients into CHCS with complete demographic information if needed for billing purposes?* • *Is beneficiary OHI data validated before being input into CHCS?* • *Does someone check the DEERS ineligibility report daily?* • *Does the patient complete a DD form 2569?*

Key Risk Areas: Improper Billing Rates, DD Form 2569, HIPAA

For a complete listing of potential risk areas, View Compliance Audit Checklist Template at
http://www.tricare.mil/ocfo/mcfs/ubo/policy_guidance/letters.cfm#Compliance Toolkit

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ID	Process	Risk Area(s) / Audit Areas
4	The clinical encounter may include: collection of patient history, a physical examination, and treatment as needed.	• *Does the MTF have procedures to ensure documented pre-certification/pre-authorization actions occur on inpatient admissions, APVs, Ancillary services costing more than $500*
5	Encounters must be documented by the healthcare provider in order to be coded, billed and paid.	• *Failure to maintain the confidentiality of information/records* • *Are clear and complete audit trails maintained on all claims forwarded to the appropriate supporting or designated authority?*
5	The provider documents the examination for the clinical encounter, which includes, but is not limited to: detail of patient and family history, extent of physical exam, complexity of medical decision making, nature of patient's problems, minutes of service, and any counseling.	• *Do revenue codes accurately represent documented care?* • *Are billing records maintained separately for each site?*

Key Risk Areas: Pre-Certification/Pre-Authorization, Audit Trails, Accurate Coding for Services

ID	Process	Risk Area(s) / Audit Areas
6	Based on the provider's encounter documentation, coding staff assign appropriate diagnosis and procedure codes (ICD, CPT®, and HCPCS codes) to the patient record. Coders must adhere to official MHS coding guidelines	• *Are bills denied for coding reviewed by coding and billing staff and corrected and resubmitted where possible?* *Up-coding: Using a billing code or DRG code that provides a higher payment rate than the code that accurately reflects the service furnished to the patient* *Unbundling: When separate billing codes are used for services that have an aggregate code*
7	MHS systems capture both institutional and professional services and items and pharmaceuticals provided for both inpatient admissions and outpatient visits. MHS billing systems include CHCS (inpatient TPC) and TPOCS (outpatient TPC). For each service or supply documented in the encounter record, MHS billing systems generate a charge using published and effective DHA UBO rates.	• *Are the current rates packages (e.g., inpatient ASA, outpatient, pharmaceutical)* • *Are all current rates tables, mapping tables, code tables etc., loaded in current billing systems/solutions (e.g., ABACUS, CHCS and TPOCS?* *See: "File and Table Maintenance" Section of User Guide 2014 August UBO User Guide pdf*

Key Risk Areas: Up-Coding, Unbundling, Improper/Inaccurate Rates

ID	Process	Risk Area(s) / Audit Areas
8	Billing claims may be generated automatically from CHCS (inpatient and outpatient MSA, inpatient TPC) and TPOCS (outpatient TPC) or manually for submission to the payer in either electronic or paper format.	• *Are there billing procedures to prevent duplicate billing?* • *Do you use the most cost-effective billing (e.g., electronic when available)?* • *Are bills completed and sent out (mailed or electronically) on a regular basis?* • *Billing for services without an established DoD billing rate (i.e., pharmaceuticals)*
8	TPC bills third parties using two standard paper claim forms. The UB-04 is for institutional services, and the CMS 1500 for professional services. Claims may also be submitted electronically using the 837 Health Care Claim: Institutional (837I) and the 837 Health Care Claim: Professional (837P) transactions.	• *Are inpatient bills generated properly when the patient is transferred to a civilian facility or another MTF?* • *Are APVs billed on three separate claims (Surgeon CMS 1500/837P, Anesthesiologist CMS 1500/837P, and Institutional 99199 UB-04/837I)?*

Key Risk Areas: Duplicate Billing, Lack of Bill Rate, APVs, review of MAC claim

ID	Process	Risk Area(s) / Audit Areas
8	If medical care is necessary due to the fault of a third party, a MAC claim can be generated from data in CHCS and TPOCS.	• *Does your legal authority overseeing medical care recovery instruct you as to which encounters to generate MAC bills for?* • *Do you use CHCS and TPOCS to generate MAC claims?* • *Do you use MAC rates (i.e., same as DHA UBO inpatient, outpatient and RX, but inpatient and outpatient must be approved by the OMB & published in the federal register prior to use)?*

Key Risk Areas: Duplicate Billing, Lack of Bill Rate, APVs, review of MAC claim

ID	Process	Risk Area(s) / Audit Areas
9	Once a claim is generated and submitted, the biller reviews the status of the claim and if not paid, follows up with the payer, as necessary.	• *Is follow-up being performed within established timeframes on all claims for which payments are delinquent?* • *Are payments validated for correctness based on patient's benefits?* • *Inadequate resolution of overpayments*
10	For denials management, the biller identifies and resolves denied, rejected, or pending claims with the payer. The biller may request the payer to reconsider denial, rejection, and additional payments.	• *Are valid denial and payment write-offs approved by the TPCP/UBO Manager or designated authority and in a timely manner?* • *Are invalid payments/denials referred to the appropriate supporting or designated authority at 180 days or not later than 270 days from date of discharge/outpatient visit?*

Key Risk Areas: Payment Validation, Write-Offs, Payment/Denial Review

Per memorandum "Revision of Compliance Audit Requirements in the Department of Defense 6010.15-M, "Military Treatment Facility Uniform Business Office Manual," November 9, 2006", three audit requirements added to the UBO Manual and included as a part of TPCP compliance audits:

1. Bills are generated and sent for patient encounters when other health insurance information exists in CHCS.
2. Collections from insurance providers are adequately followed up.
3. All errors and deficiencies found during audits are corrected.

ID	Process	Risk Area(s) / Audit Areas
11	Once payment is received, the payment is applied to the patient's account in either CHCS (inpatient and outpatient MSA, inpatient TPC) or TPOCS (outpatient TPC). This step should be performed immediately after payment is received.	• *Is the separation of duties (biller, cashier, etc.) adequate to protect cash receipts?* • *How often are unannounced cash counts being conducted?* • *Are all checks/cash received stored in a safe?* • *Are delinquent accounts accurately transferred in a timely manner IAW current debt management policy?* • *Are returned checks for insufficient funds processed correctly?* • *Do account postings equal amounts collected?*
12	Performance measurements help assess progress toward that goal. Each MTF must have tangible, real-time data to measure performance both for internal management purposes and for external measurement in relation to peers, competitors, and the community	• *Do audits of MSA occur at least quarterly by a disinterested individual?* • *Are all requisite records maintained to confirm the effectiveness of the MTF's compliance program and reported to the appropriate authorities and the UBO Manager?* • *Is all billing current, to include a regular and frequent processing of bills to prevent backlogs (e.g., daily or every other day)?* • *Are all deficiencies in the TPCP corrected that were identified during the UBO compliance audit (i.e. items listed and in addition to those on this checklist)?*

Key Risk Areas: Separation of Duties, Cash Storage, Audit Trails and Preparation

Questions?

All webinars are available on the DHA UBO Learning Center at: http://www.tricare.mil/ocfo/mcfs/ubo/learning_center/training.cfm#recent

References

- 1.   10 U.S.C. 1095
- 2.   10 U.S.C. 1079b
- 3.   32 C.F.R. Part 220
- 4.   DoD 6010.15-M, UBO Manual, November 2006
- 5.   OIG Compliance Guidance for Hospitals, February 1998
- 6.   OIG Supplemental Compliance Program Guidance for Hospitals, January 2005
- 7.   UBO User Guide, Current Edition

Compliance Toolkit (Available on UBO Website)

Anti-Fraud Program at Military Treatment Facilities (MTFs) pdf 58.2 KB
Compliance Plan Implementation Policy pdf 4954.5 KB
Code of Conduct doc 26.0 KB
Certification Memo doc 25.5 KB
Sample Compliance Committee Charter doc 27.5 KB
MSA Claim Post-Submission Review Worksheet doc 37.0 KB
TPCP Claim Post Submission Review Worksheet doc 50.5 KB [updated 08-25-14]
MAC Claim Post-Submission Review Worksheet doc 37.0 KB
Compliance Audit Requirements pdf 51.2 KB
Compliance Audit Checklist Template doc 475.0 KB [updated 08-25-14]
Annual Review of Compliance Program Effectiveness Checklist doc 151.0 KB
Model Compliance Document doc 89.0 KB

Functional Area	UBO User Guide	UBO User Manual	General Guidance
Scheduling	• Accounts Receivable, • Elective Cosmetic Procedures		• PATCAT Training Course, How to Assign and Use PATCATS , PATCAT Finder Guide • Webinar, "How to Assign and Use PATCATs"
Registration	• Health Insurance • HIPAA • Observation Services	• Chapter 2	• SIT/OHI Webinar
Insurance Validation and Entry	• Health Insurance • SIT/OHI	• Chapter 4	• SIT/OHI Webinar
Clinical Encounter	• Ancillary Services and Hold Periods	• Chapter 4 • Chapter 5 • Chapter 6	• The Role of Medical Records in the Revenue Cycle
Medical Records Documentation	• Civilian Emergency Billing	• Chapter 3 • Chapter 4 • Chapter 5	• Billing and Coding in Sync in the Revenue Cycle Webinar

Functional Area	UBO User Guide	UBO User Manual	General Guidance
Charge Capture	• Ambulance Services • CCE • Elective Cosmetic Procedures • Evaluation and Management Services • Observation Services • Units of Service	• Chapter 1 • Chapter 3	• CHS Process Management for Reimbursement • TPOC Updates: Impacts to Billers of HIPAA

Functional Area	UBO User Guide	UBO User Manual	General Guidance
[Inpatient and Outpatient Coding](#)	• Coding Compliance Editor • HCPS Codes • Allergy Testing/Allergen Immunotherapy • Ambulance Services • ADM • Ancillary Services and Hold Periods • Billing Outpatient Services • Chemotherapy/Hydration/Infusion/Injection Services • DD7/DD7A Reports Process • Dialysis • Elective Cosmetic Procedures • Evaluation and Management Services • Immunization and Administration Services • Observation Services • Revenue Codes • Units of Service	• Chapter 1 • Chapter 2 • Chapter 3 • Chapter 4	• Coding and Billing-Bridging the Gap • ICD-10 MHS Billing Impacts Update Webinar

Functional Area	UBO User Guide	UBO User Manual	General Guidance
[Claim Generation and Submission](#)	• Ambulatory Procedure Visits • Accounts Receivable • Claim Formats • File and Table Maintenance • Civilian Emergency Billing • FEMA Reimbursement for Mission Assignment • Medicare Claims • National Disaster Medical System Billing • Pharmaceuticals • Providers • US Coast Guard Billing	• Chapter 3 • Chapter 4 • Chapter 6 • Chapter 7	• MSA Services Panel • FY14 VA-DoD Billing • Billing and Coding in Sync in the Revenue Cycle Webinar • Expanding Billing Opportunities and Finer Points Webinar • FY14 Pharmacy Pricing Rates Update Webinar

Functional Area	UBO User Guide	UBO User Manual	General Guidance
Payer Follow up	• Pharmaceuticals • Itemized Posting of Receipts into TPOCS • SIT/OHI	• Chapter 3 • Chapter 4 • Chapter 7	• Payments and Refunds
Denial Management and Appeals	• HIPAA • Medicare Claims • NDMS Billing	• Chapter 4 • Chapter 5	• Denial Management-Tools, Tips, and Solutions • JAG Support for UBO Billing
Payment Posting	• Itemized Posting of Receipts into TPOCS • Accounts Receivable		
Performance Measurements	• HIPAA • Third Party Collection Program	• Chapter 2	• Metrics Reporting System Upgrade Update • How to Pull DD2570 Data and Combine for Accuracy

A&D	Admission and Disposition	**MAC**	Medical Affirmative Claims
APV	Ambulatory Procedure Visit	**MSA**	Medical Services Account
ASA	Adjusted Standardized Amount	**MSAO**	Medical Services Account Officer
CFR	Code of Federal Regulations	**MTF**	Military Treatment Facility
		NCR MD	National Capital Region Medical Directorate
CHCS	Composite Health Care System	**NPI**	National Provider Identifier
CMS	Centers for Medicare and Medicaid Services	**OASD**	Office of the Assistance Secretary of Defense
CSE	Cosmetic Surgery Estimator	**OCONUS**	Outside the Continental United States
DFAS	Defense Finance and Accounting Service	**OHI**	Other Health Insurance
DEERS	Defense Enrollment Eligibility Reporting System	**OIB**	Outpatient Itemized Billing
DoD	Department of Defense	**PATCAT**	Patient Category
EOB	Explanation of Benefits	**POC**	Point of Contact
FI	Fiscal Intermediary	**PTF**	Patient Trust Fund
FMR	Financial Management Regulation	**SF**	Standard Form
FY	Fiscal Year	**SSN**	Social Security Number
I&R	Invoice and Receipt	**TPCP**	Third Party Collection Program
IAW	In Accordance With	**TPOCS**	Third Party Outpatient Collection System
ID	Identification	**UB-04**	Uniform Bill
IMET	International Military Education and Training	**UBO**	Uniform Business Office
ITO	Invitational Travel Order	**USC**	United States Code
LOA	Line of Accounting		

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