



**New Jersey Department of Human Services  
Division of Medical Assistance and Health Services  
Medicaid Utilization Reviews**

**Provider Orientation**

**2010**

# Agenda

1. Introductions
2. Overview
3. Utilization Review
4. Implementation Plan
  - Organizational Chart
  - Recruiting
  - Physician Panel
  - Training
  - Technology
5. Meeting with Current Contractor(s)
6. Provider Relation
  - Meeting with Hospital Association
  - Mailings/Meetings
7. Operations
  - Review criteria – Milliman
  - On-site vs Off-site review
  - Reports
  - Forms/Letters
  - Delegated/Non-delegated notifications
8. Questions

# Introductions: Permedion-HMS

- Dennis Gramlich, Vice President, Permedion
- Kevin Lee, Regional Vice President
- David Sand MD, Chief Medical Officer
- Joseph Steeger MD PhD, Medical Director
- Patricia Ratwani RN, Clinical Review
- Linda Freites RN, Project Manager

# Introductions: MFD/DMAHS

- Karen Chester RN, Regional Staff Nurse, Office of Reimbursement, DMAHS
- Richard Hurd, Acting Chief of Staff, DMAHS
- Mark Moskovitz, Deputy Director, Office of Comptroller, Medicaid Fraud Division (MFD)
- Pamela Orton RN, Healthcare Administrator, DMAHS
- Jennifer Petrino, Administrator, Contract Compliance, DMAHS

# Overview of HMS

- Cost containment services for 37 state Medicaid agencies, CHIP, Child Support, Pharmacy Assistance, CMS
- Coordination of benefits, program integrity, and other recovery and cost savings projects
- 1,100 employees in 26 offices
- Multiple contracts with NJ since 1986
- Other NJ projects:
  - Third Party Liability 1986 – Present; \$1.4B Recovery
  - Cardiac Surgery 2009 – Present
  - Rx and DME Audit 2010 - Present

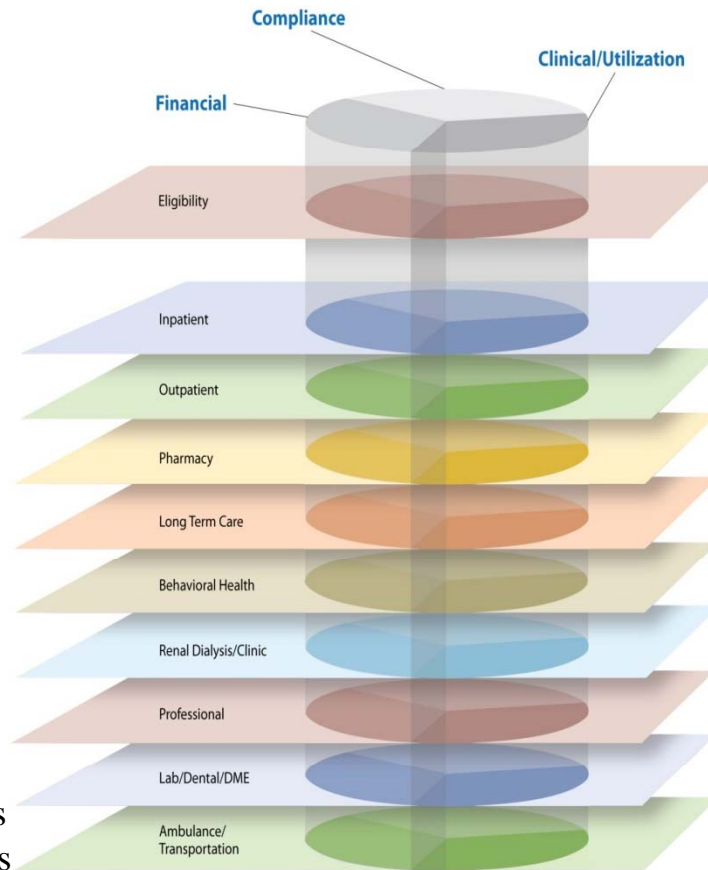
# Breadth of HMS Services

## Clinical

- Policy review
- Utilization management
- Pre-certification review
- DRG review/validation
- Coding review
- Compliance audit
- Medical review
- Quality review

## Financial

- TPL insurer data matching
- TPL billing and recovery
- Casualty/Estate recovery
- Credit balances
- Data mining for overpayments
- Eligibility verification services
- Eligibility decision support
- HIPA/premium management
- Asset/Income verification
- Outreach to uninsured



## Compliance

- Fraud & abuse detection
- Pharmacy audit
- PBM audit
- Behavioral health audit
- Training

# About Permedion

- Wholly owned subsidiary of HMS since October 2007
- Designated as a QIO-like entity by CMS
- Accredited by URAC for both Utilization Management and Independent Review
- IRO for 12 States – Commercial Insurance Appeals
- 110 Employees
- 600 Board Certified & Licensed Physicians

# Utilization Review Services

*Experience and Approach*



# Utilization Review Experience

- ✓ Colorado
- ✓ Illinois
- ✓ Kentucky
- ✓ New Jersey
- ✓ Ohio
- ✓ South Carolina
- ✓ Virginia
- ✓ North Carolina
- ✓ Massachusetts

# Approach

## 1. Review of Billing and Reimbursement Policies

- Clinical Guidelines
- Audit Regulations
- Data Mining Process Updated to Reflect Parameters

## 2. Case Selection

- Random Sample for Utilization Review
- Random Sample for DRG Validation

## 3. Provider Medical Record Request

- All Letters Sent to Specific Individual
- Attempt to Accommodate Provider Workload Issues
- Courtesy Call
- On Site Reviews Scheduled for Selected Facilities
- Electronic Record Intake Option
- All Letters Generated/Tracked in System

# Approach (continued)

## 4. Clinical/Coding Review

- Medical Record Abstraction by RN
- RN and Certified Coders
- System Ensures Accurate Abstraction
- Quality Review for all Cases

## 5. Physician Review

- Required for medical necessity or DRG change
- NJ physician panel

## 6. Notification Letter

- Clinical summary and detailed rationale
- Educational guidance as appropriate

## 7. Reconsideration & Appeal

- Reconsideration to Permedion
- Clinical issues referred to 2<sup>nd</sup>, specialty-matched physician
- Fair Hearings to State

# Approach (continued)

## 8. Collection & Recoupment

- Claim payment recouped
- Provider to re-bill correctly with correct coding and/or for appropriate setting

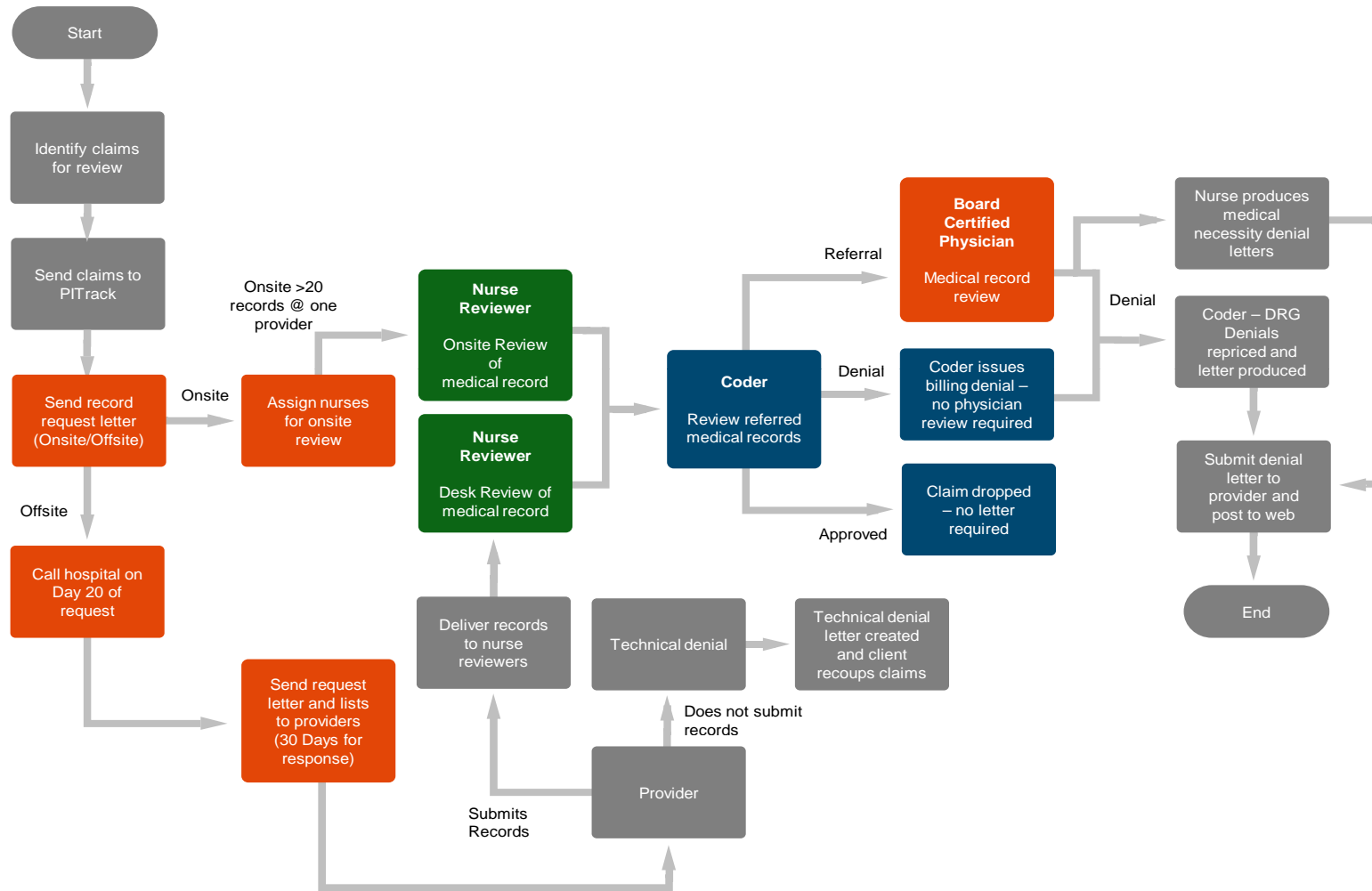
## 9. Identification of Trends

- Based on errors, review
- Data mining to confirm trend, metrics

## 10. Provider Education

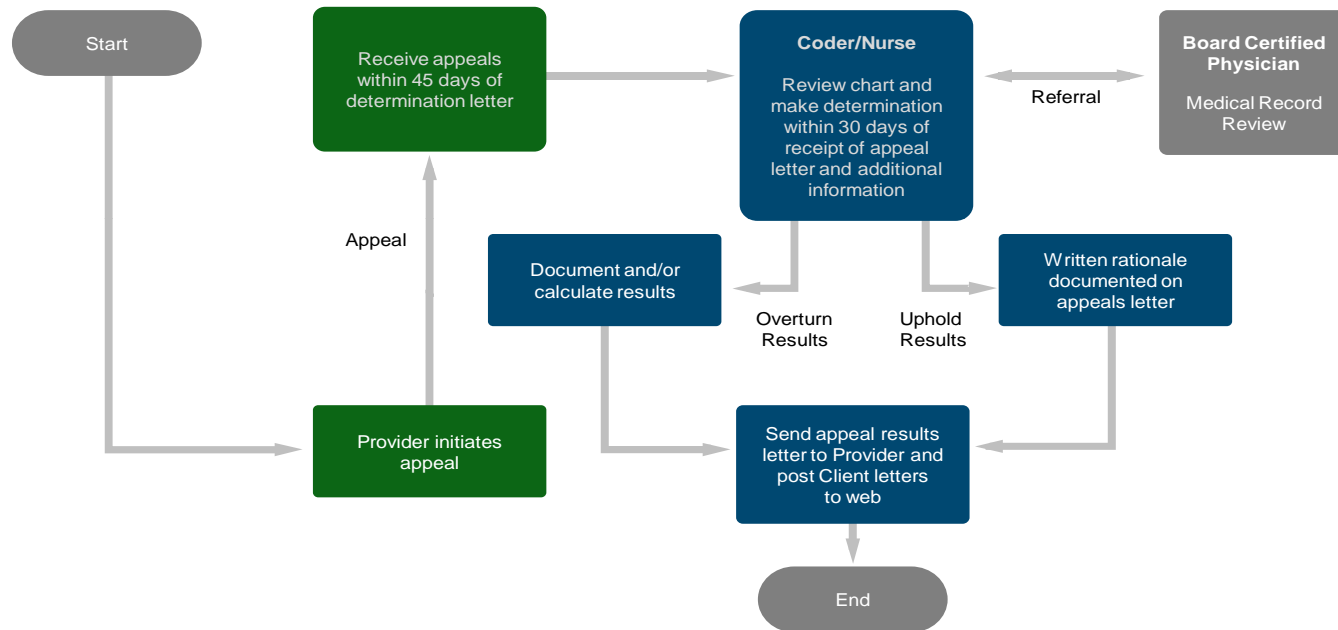
- Specific education through notification letter
- Error trend education through provider bulletins
- One-on-one interaction

# Case Review Process



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# Reconsideration Process



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# Implementation Plan

# Implementation Plan

- Approach
  - Project Management
  - Gantt Charts
  - Frequent, effective communications
  - Team approach



### Start Up Activities DRAFT Work Plan 07-26-10

ID	Task Name	Duration	Start	Finish	Month						
					Jun	Jul	Aug	Sep	Oct	Nov	
1	<b>Start Up Activities- Work Plan</b>	<b>76 days</b>	<b>Wed 07/21/10</b>	<b>Wed 11/03/10</b>	07/21						11/03
2	<b>Administrative Tasks</b>	<b>73 days</b>	<b>Mon 07/26/10</b>	<b>Wed 11/03/10</b>							11/03
3	Receive Notification of Contract Award	1 day	Wed 08/04/10	Wed 08/04/10			08/04				
4	Complete/return Contractor Certification and Disclosure of Political Contributions form	5 days	Thu 08/05/10	Wed 08/11/10			08/05	08/11			
5	Submit copy of required liability insurance certificate	5 days	Thu 08/05/10	Wed 08/11/10			08/05	08/11			
6	Execute confidentiality agreement with DMAHS?	10 days	Thu 08/12/10	Wed 08/25/10			08/12	08/25			
7	Protest period	10 days	Thu 08/05/10	Wed 08/18/10			08/05	08/18			
8	Sign Contract	10 days	Thu 08/19/10	Wed 09/01/10			08/19	09/01			
9	Contract Start?	1 day	Thu 09/02/10	Thu 09/02/10			09/02	09/02			
10	<b>Weekly Transfer Status Report</b>	<b>56 days</b>	<b>Wed 08/18/10</b>	<b>Wed 11/03/10</b>							
23	Post weekly work plan to Permedion website	51 days	Mon 08/16/10	Mon 10/25/10			08/16				10/25
24	Weekly update meetings of Permedion Exec Team	66 days	Mon 07/26/10	Mon 10/25/10			07/26				10/25
25	Weekly meetings with DMAHS (Including appropriate attendees)	51 days	Mon 08/16/10	Mon 10/25/10			08/16				10/25
26	Request proposal feedback and scoring	5 days	Wed 08/04/10	Tue 08/10/10			08/04	08/10			
27	<b>Office Space</b>	<b>65 days</b>	<b>Mon 07/26/10</b>	<b>Fri 10/22/10</b>							
28	Space in existing HMS Trenton offices allocated to contract start-up	10 days	Mon 08/02/10	Fri 08/13/10			08/02	08/13			
29	Use existing Trenton facilities until permanent facilities are ready	21 days	Mon 08/16/10	Mon 09/13/10			08/16	09/13			
30	Survey and identify preferred office site	10 days	Mon 07/26/10	Fri 08/06/10			07/26	08/03			
31	Plan office layout, construction needs	10 days	Mon 08/09/10	Fri 08/20/10			08/09	08/20			
32	Complete office and network setup to be fully operational by 10/22	45 days	Mon 08/23/10	Fri 10/22/10			08/23				10/22
33	<b>Kickoff Meeting with DMAHS</b>	<b>33 days</b>	<b>Mon 08/23/10</b>	<b>Wed 10/06/10</b>			08/23				10/06
34	Reconfirm project charter and work plan	5 days	Mon 08/23/10	Fri 08/27/10			08/23	08/27			
35	Finalize status reporting schedule	10 days	Mon 08/23/10	Fri 09/03/10			08/23	09/03			
36	Submit revised work plan	10 days	Mon 08/30/10	Fri 09/10/10			08/30	09/10			
37	Meet with DMAHS to discuss work plan	10 days	Mon 09/13/10	Fri 09/24/10			09/13	09/24			
38	Final approval of Work Plan	8 days	Mon 09/27/10	Wed 10/06/10			09/27	10/06			
39	<b>Coordination with Current Contractor(s)</b>	<b>10 days</b>	<b>Mon 08/30/10</b>	<b>Fri 09/10/10</b>			08/30	09/10			
40	Joint planning meeting w/current contractor, DMAHS, if appropriate	10 days	Mon 08/30/10	Fri 09/10/10			08/30	09/10			
41	Identify key contacts and action items as needed	10 days	Mon 08/30/10	Fri 09/10/10			08/30	09/10			
42	<b>Data - Coordination with Current Claims Processor Contractor, if necessary (existing relationship)</b>	<b>38 days</b>	<b>Wed 07/21/10</b>	<b>Fri 09/10/10</b>	07/21						09/10
43	Assess data needs - identify gaps	15 days	Wed 07/21/10	Tue 08/10/10	07/21		08/10				
44	Develop and implement detailed plan to acquire/provide data to fill gaps.	10 days	Wed 08/11/10	Tue 08/24/10			08/11	08/24			
45	Joint planning meeting w/current contractor, DMAHS	10 days	Mon 08/30/10	Fri 09/10/10			08/30	09/10			
46	Schedule weekly meetings as necessary	10 days	Wed 08/11/10	Tue 08/24/10			08/11	08/24			
47	Confirm key contacts	10 days	Wed 08/11/10	Tue 08/24/10			08/11	08/24			

### Start Up Activities DRAFT Work Plan 07-26-10

ID	Task Name	Duration	Start	Finish	Month					
					Jun	Jul	Aug	Sep	Oct	Nov
48	<b>Personnel Resources</b>	<b>63 days</b>	<b>Wed 07/21/10</b>	<b>Fri 10/15/10</b>						
49	Finalize recruitment and hiring of Project Manager, Quality Director, Project Specialist and Medical Director	15 days	Wed 07/21/10	Tue 08/10/10						
50	Relocate Key Personnel to Trenton (if necessary)	40 days	Wed 07/21/10	Tue 09/14/10						
51	Enhance physician reviewer panel	50 days	Wed 07/21/10	Tue 09/28/10						
52	Continue recruiting for positions identified in proposal	40 days	Wed 07/21/10	Tue 09/14/10						
53	Continue interviewing for positions identified in proposal	40 days	Wed 07/21/10	Tue 09/14/10						
54	Receive DMAHS input on finalists for key positions not yet hired	30 days	Wed 07/21/10	Tue 08/31/10						
55	Hire operational staff for start dates approximately 2 weeks prior to beginning contract activity	8 days	Mon 09/20/10	Wed 09/29/10						
56	Hire/train in-house physician reviewers	8 days	Mon 09/20/10	Wed 09/29/10						
57	Train/orient new operational hires	8 days	Mon 09/20/10	Wed 09/29/10						
58	Schedule cross-training between review activities for specific positions	20 days	Mon 09/20/10	Fri 10/15/10						
59	<b>Training - Transition</b>	<b>20 days</b>	<b>Wed 07/21/10</b>	<b>Tue 08/17/10</b>						
60	Revise corporate orientation programs	20 days	Wed 07/21/10	Tue 08/17/10						
61	Develop contract orientation program	20 days	Wed 07/21/10	Tue 08/17/10						
62	Develop review activity training program	20 days	Wed 07/21/10	Tue 08/17/10						
63	Develop position-specific training program	20 days	Wed 07/21/10	Tue 08/17/10						
64	Identify positions for cross training between review activities	20 days	Wed 07/21/10	Tue 08/17/10						
65	<b>Facilities/Equipment</b>	<b>70 days</b>	<b>Wed 07/21/10</b>	<b>Tue 10/26/10</b>						
66	Finalize purchase of equipment and systems	60 days	Wed 07/21/10	Tue 10/12/10						
67	Finalize previously approved installation schedule for equipment and systems	60 days	Wed 07/21/10	Tue 10/12/10						
68	Provide Project Managers and other key staff with laptops, cell phones and comm links	60 days	Wed 07/21/10	Tue 10/12/10						
69	Complete all facilities/equipment installation	70 days	Wed 07/21/10	Tue 10/26/10						
70	<b>Operations</b>	<b>52 days</b>	<b>Wed 07/21/10</b>	<b>Thu 09/30/10</b>						
71	<b>Develop contract-specific internal policy &amp; procedures</b>	<b>37 days</b>	<b>Mon 08/09/10</b>	<b>Tue 09/28/10</b>						
72	Draft new and revise existing policies and procedures	10 days	Mon 08/09/10	Fri 08/20/10						
73	Obtain Operations Team review and approval	10 days	Mon 08/23/10	Fri 09/03/10						
74	Submit draft policies and procedures to DMAHS	2 days	Mon 09/06/10	Tue 09/07/10						
75	Obtain DMAHS feedback	5 days	Wed 09/08/10	Tue 09/14/10						
76	Revise	5 days	Wed 09/15/10	Tue 09/21/10						
77	Obtain DMAHS final approval	3 days	Wed 09/22/10	Fri 09/24/10						
78	Post on Permedion Intranet	2 days	Mon 09/27/10	Tue 09/28/10						
79	<b>Medical Review Criteria</b>	<b>52 days</b>	<b>Wed 07/21/10</b>	<b>Thu 09/30/10</b>						
80	Assess need for new or revised criteria	15 days	Wed 07/21/10	Tue 08/10/10						
81	Draft/acquire review criteria if needed	10 days	Wed 08/11/10	Tue 08/24/10						
82	Obtain DMAHS feedback/supplements to review criteria	5 days	Wed 08/25/10	Tue 08/31/10						

### Start Up Activities DRAFT Work Plan 07-26-10

ID	Task Name	Duration	Start	Finish	Month						
					Jun	Jul	Aug	Sep	Oct	Nov	
83	Revise review criteria	5 days	Wed 09/01/10	Tue 09/07/10			09/01	09/07			
84	Obtain DMAHS final approval of review criteria	5 days	Wed 09/08/10	Tue 09/14/10			09/08	09/14			
85	Incorporate into review systems	7 days	Wed 09/15/10	Thu 09/23/10			09/15	09/23			
86	Train staff	5 days	Fri 09/24/10	Thu 09/30/10				09/24	09/30		
87	<b>Reporting Requirements</b>	<b>50 days</b>	<b>Wed 07/21/10</b>	<b>Tue 09/28/10</b>							
88	Identify and develop new reporting requirements as identified in the RFP	20 days	Wed 07/21/10	Tue 08/17/10			07/21	08/17			
89	Update existing reporting requirements as identified in the RFP	10 days	Wed 08/18/10	Tue 08/31/10			08/18	08/31			
90	Obtain DMAHS review and approval	5 days	Wed 09/01/10	Tue 09/07/10			09/01	09/07			
91	Final version of report requirements	5 days	Wed 09/08/10	Tue 09/14/10			09/08	09/14			
92	Incorporate into Operational Work Plan	10 days	Wed 09/15/10	Tue 09/28/10			09/15	09/28			
93	<b>Develop/revise forms &amp; letters</b>	<b>50 days</b>	<b>Wed 07/21/10</b>	<b>Tue 09/28/10</b>							
94	Draft forms & letters for new review types	30 days	Wed 07/21/10	Tue 08/31/10			07/21	08/31			
95	Obtain DMAHS approval of forms & letters	10 days	Wed 09/01/10	Tue 09/14/10			09/01	09/14			
96	Approved forms and letters to Information Systems for programming	10 days	Wed 09/15/10	Tue 09/28/10			09/15	09/28			
97	<b>Provider Education Seminars</b>	<b>59 days</b>	<b>Wed 07/21/10</b>	<b>Mon 10/11/10</b>							
98	Develop Seminar Curriculum	20 days	Wed 07/21/10	Tue 08/17/10			07/21	08/17			
99	Identify number and focus of seminars	20 days	Wed 07/21/10	Tue 08/17/10			07/21	08/17			
100	Coordinate meeting locations with DMAHS and hospital association if available	30 days	Wed 07/21/10	Tue 08/31/10			07/21	08/31			
101	Draft presentations	20 days	Wed 07/21/10	Tue 08/17/10			07/21	08/17			
102	Obtain DMAHS initial review of seminar content	5 days	Wed 08/18/10	Tue 08/24/10			08/18	08/24			
103	Revise	5 days	Wed 08/25/10	Tue 08/31/10			08/25	08/31			
104	Obtain final DMAHS approval- seminar content	3 days	Wed 09/01/10	Fri 09/03/10			09/01	09/03			
105	Produce all materials	2 days	Mon 09/06/10	Tue 09/07/10			09/06	09/07			
106	Schedule, publicize and conduct seminars	15 days	Wed 09/08/10	Tue 09/28/10			09/08	09/28			
107	Solicit provider feedback and additional issues of concern to providers	3 days	Wed 09/29/10	Fri 10/01/10				09/29	10/01		
108	Determine additional outreach activities for providers	6 days	Mon 10/04/10	Mon 10/11/10					10/04	10/11	
109	<b>Submit draft QI/management program plan to DMAHS</b>	<b>54 days</b>	<b>Wed 07/21/10</b>	<b>Mon 10/04/10</b>							
110	Draft Quality Improvement Plan with Indicators	30 days	Wed 07/21/10	Tue 08/31/10			07/21	08/31			
111	Submit to DMAHS for review	3 days	Wed 09/01/10	Fri 09/03/10			09/01	09/03			
112	Receive DMAHS approval of QI plan	5 days	Mon 09/06/10	Fri 09/10/10			09/06	09/10			
113	Train staff	15 days	Mon 09/13/10	Fri 10/01/10			09/13	10/01			
114	Implement QI Monitoring	1 day	Mon 10/04/10	Mon 10/04/10					10/04	10/04	

# Implementation Plan

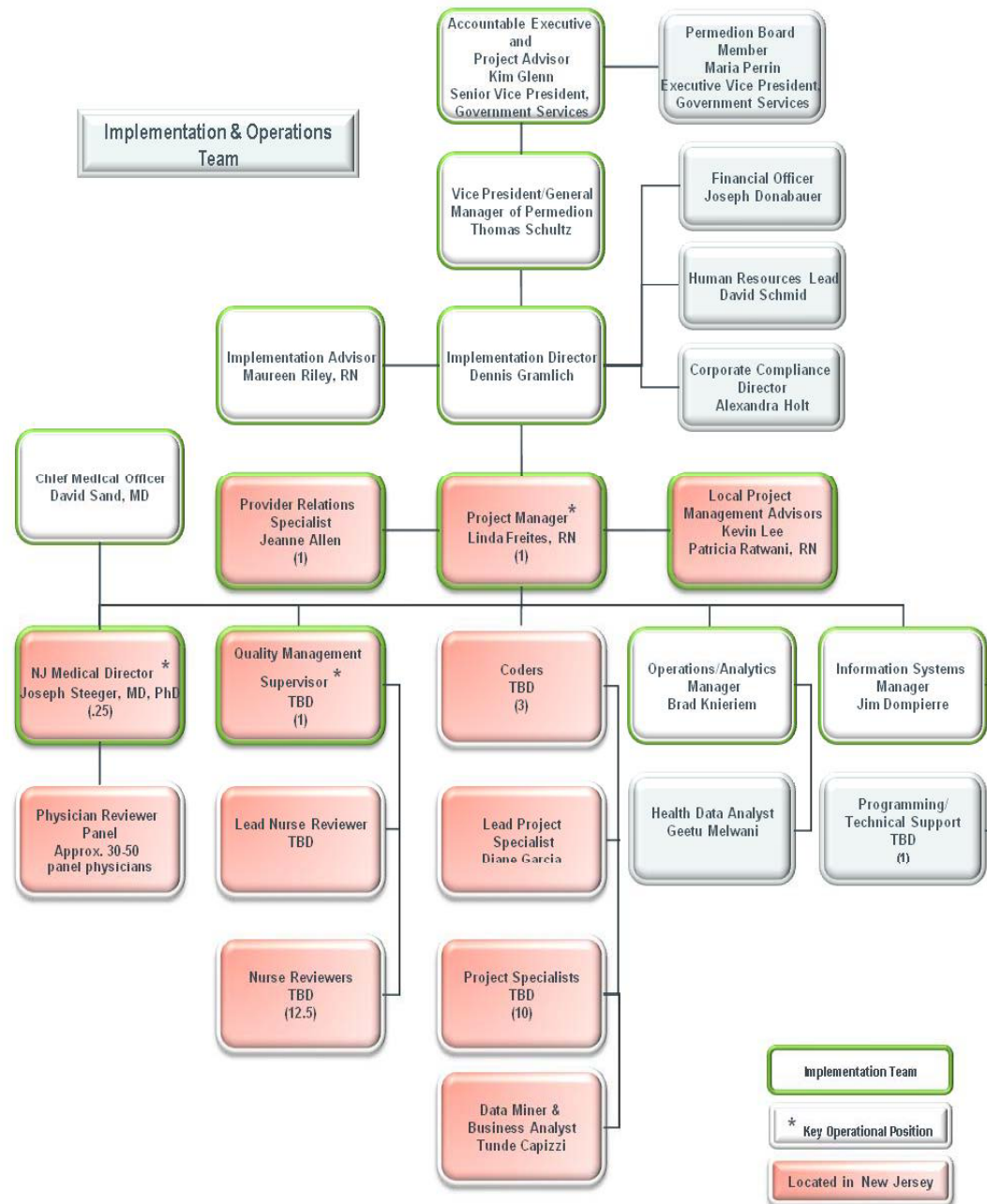
## ■ Phases

- Transition
- Facilities
- Technology
- Staffing
- Quality Assurance
- Contract Management
- Training
- Utilization Management Program

# Implementation Plan

## ■ Staffing Plan: Milestones

- Recruit/hire key personnel
- Hire operational staff
- Complete staff training
  - ✓ Training for initial hires completed by October 30, 2010





# Implementation Plan

- Training Plan: Milestones
  - Revise corporate orientation programs
  - Develop contract orientation program
    - ✓ Including orientation to DMAHS
    - ✓ Customer service training
  - Develop review activity training program in compliance with DMAHS regulations
  - Develop position-specific training program

# Implementation Plan

- Office Space and Facilities Plan Milestones
  - Assessed Trenton, NJ office
    - ✓ Utilization of excess capacity
  - Acquire additional space
    - ✓ 60 – 90 days
  - Complete equipment acquisition
  - Complete facilities set-up



# Technology Plan

- HMS has in-place technology and infrastructure to receive project related data files
  - Existing Extranet Business Partner Agreement with DHS
  - Existing Firewall hardware installed at DHSS
  - Existing high speed data lines to DHS, and to the Medicaid Fiscal Intermediary, both Mercerville, NJ and Salt Lake City, Utah Data-centers
- HMS receives
  - Paid Claim Files weekly
  - Provider File Quarterly
- HMS has an existing Disaster Recovery Plan
- HMS is familiar with FD-999 Claims Adjustment Form
- HMS is capable to implement electronic adjustments conforming to DMAHS requirements and Fiscal Agent specifications

# Meeting with Current Contractor(s)

- Turnover Plan
- Transfer Date
- Clean Transfer vs. Overlap
- Identify Other Action Items

# Provider Relations

- Orientation to Permedion-HMS and the Review Program
  - Medical Review Process
  - Physician Panel
  - Key Contacts (Project Manager, Quality Management Supervisor)
- Ongoing
  - Newsletter
  - Website
  - Feedback
  - Events
  - One-on-one

# New Jersey Hospital Association

- Identify contacts
- Establish working relationship
- Assist with provider orientation
- Quarterly conference
- Work collaboratively on provider issues and education

# Operations

# Operations – Review Criteria

## ■ Milliman Care Guidelines

- Evidence-based
- Used in most Permedion UR contracts
- Better fit with Medicaid population for inpatient vs outpatient services
- Easier to use for retrospective review

# Operations – Retrospective Review

- Sample of reviews based on number of discharges
- Frequency of review based on number of discharges.
- Review of days to determine appropriate status
- Quality review

# Operations – On-site vs. Off-site

- State to determine
- Off-site:
  - Ability to send records electronically
  - Less intrusion on provider operations
- On-site:
  - Flexible in scheduling
  - May be intermittent



# Operations – Forms/Letters

- All forms and letters going to providers will:
  - Be provided to DMAHS for review/approval
  - Contain appropriate references
  - Be posted to secure web page for DMAHS access



**MARK MOSKOVITZ**

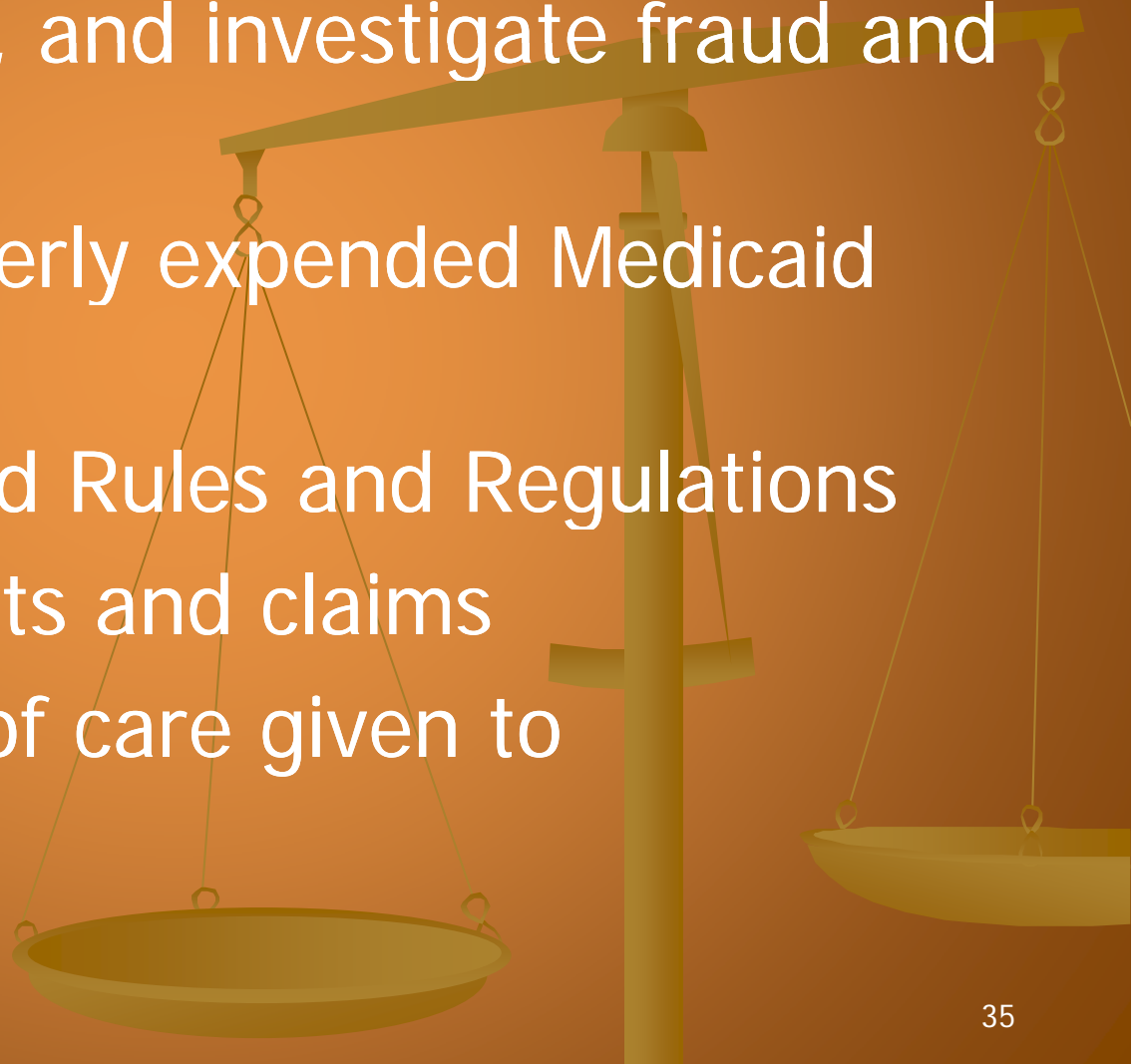
**DEPUTY DIRECTOR  
MEDICAID FRAUD DIVISION  
OFFICE OF THE STATE  
COMPTROLLER**

# MEDICAID PROGRAM INTEGRITY AND PROTECTION ACT [C.30:4D-53 et seq]

- Act that established the Office of Medicaid Inspector General in New Jersey
- Signed into law on March 16, 2007
- OMIG consolidated into the Medicaid Fraud Division of the Comptroller's Office on June 30, 2010, with all the powers of the OMIG.

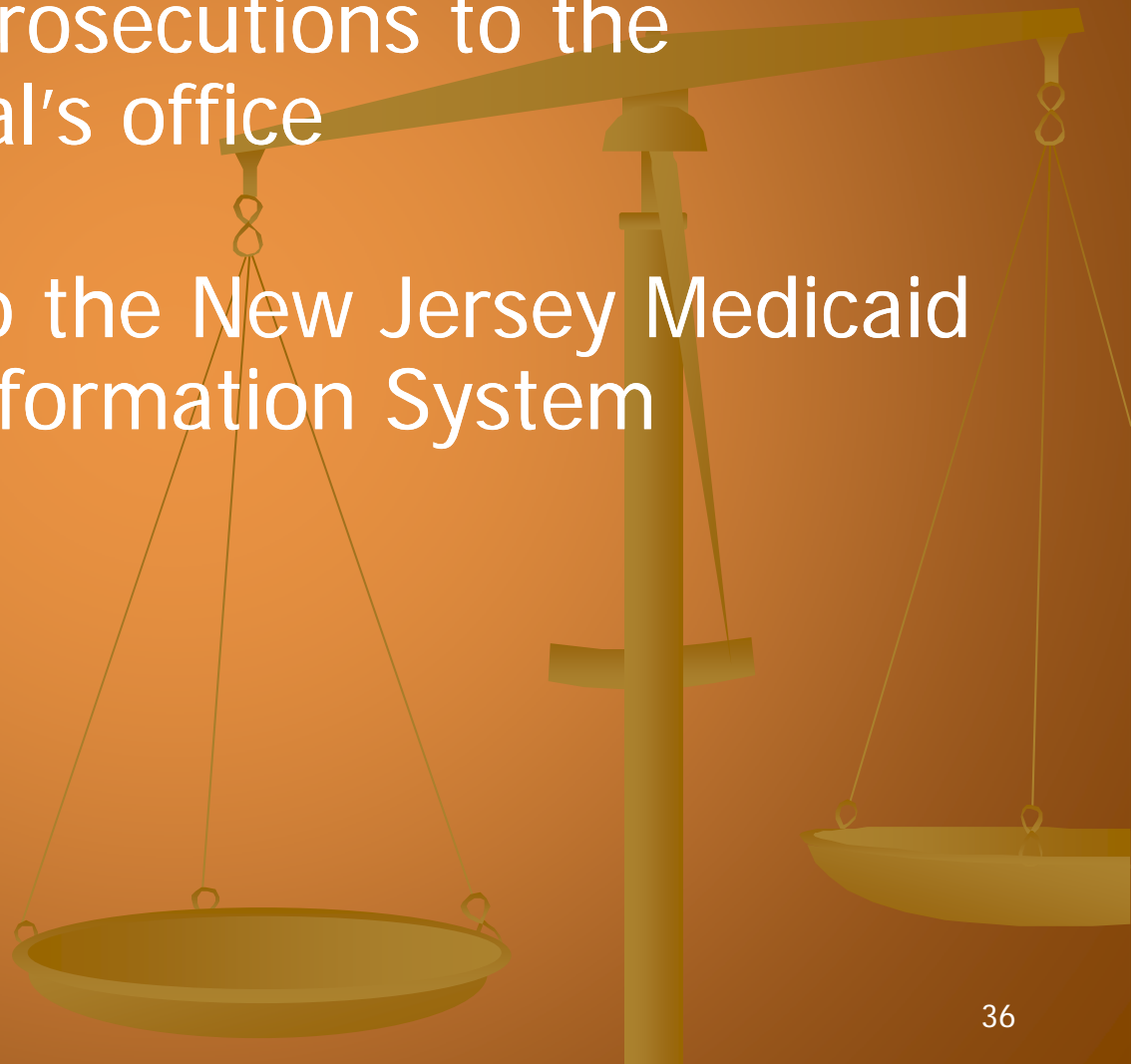
# MFD RESPONSIBILITIES

- Detect, prevent, and investigate fraud and abuse
- Recover improperly expended Medicaid funds
- Enforce Medicaid Rules and Regulations
- Audit cost reports and claims
- Review quality of care given to beneficiaries



# MFD RESPONSIBILITIES

- Refer criminal prosecutions to the Attorney General's office
- Oversee edits to the New Jersey Medicaid Management Information System (NJMMIS)



**Slide 37**

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**WU3**

text here is too small. should break it up into two slides

Windows User, 01/31/2010

# MFD RESPONSIBILITIES



- Conduct educational programs for Medicaid providers, vendors, contractors, and recipients
- Issue a report on the MFD's activities, as a part of the Comptroller's annual report to Governor and the Legislature.
- Refer information and evidence to regulatory agencies and professional and occupational licensing boards

# KEY DEFINITIONS

- Statute defines fraud as:
  - ❖ “an intentional deception or misrepresentation made by any person
  - ❖ with the knowledge that the deception could result in some unauthorized benefit to that person or another person, including any act that constitutes fraud under applicable federal or State law.”



# KEY DEFINITIONS



## ■ Definition of abuse:

1. Provider practices that are inconsistent with sound fiscal, business, or medical practices and;
2. Result in unnecessary costs to Medicaid or;
3. In reimbursement for services that are not medically necessary or
4. Fail to meet professionally recognized standards for health care.
5. The term also includes recipient practices that result in unnecessary costs to Medicaid."

# KEY DEFINITIONS



- The statute defines Medicaid to include both the Medicaid program and the N.J. FamilyCare Program
- Charity Care is excluded from statute
- However, a separate statute, passed in December 2007, gives our office power to investigate charity care fraud

# ORGANIZATION OF THE MFD

- REGULATORY
- INVESTIGATIONS
- FISCAL INTEGRITY
  - Audit Unit
  - Third Party Liability Unit
  - Data Mining Unit
  - Recovery Unit



# GOALS



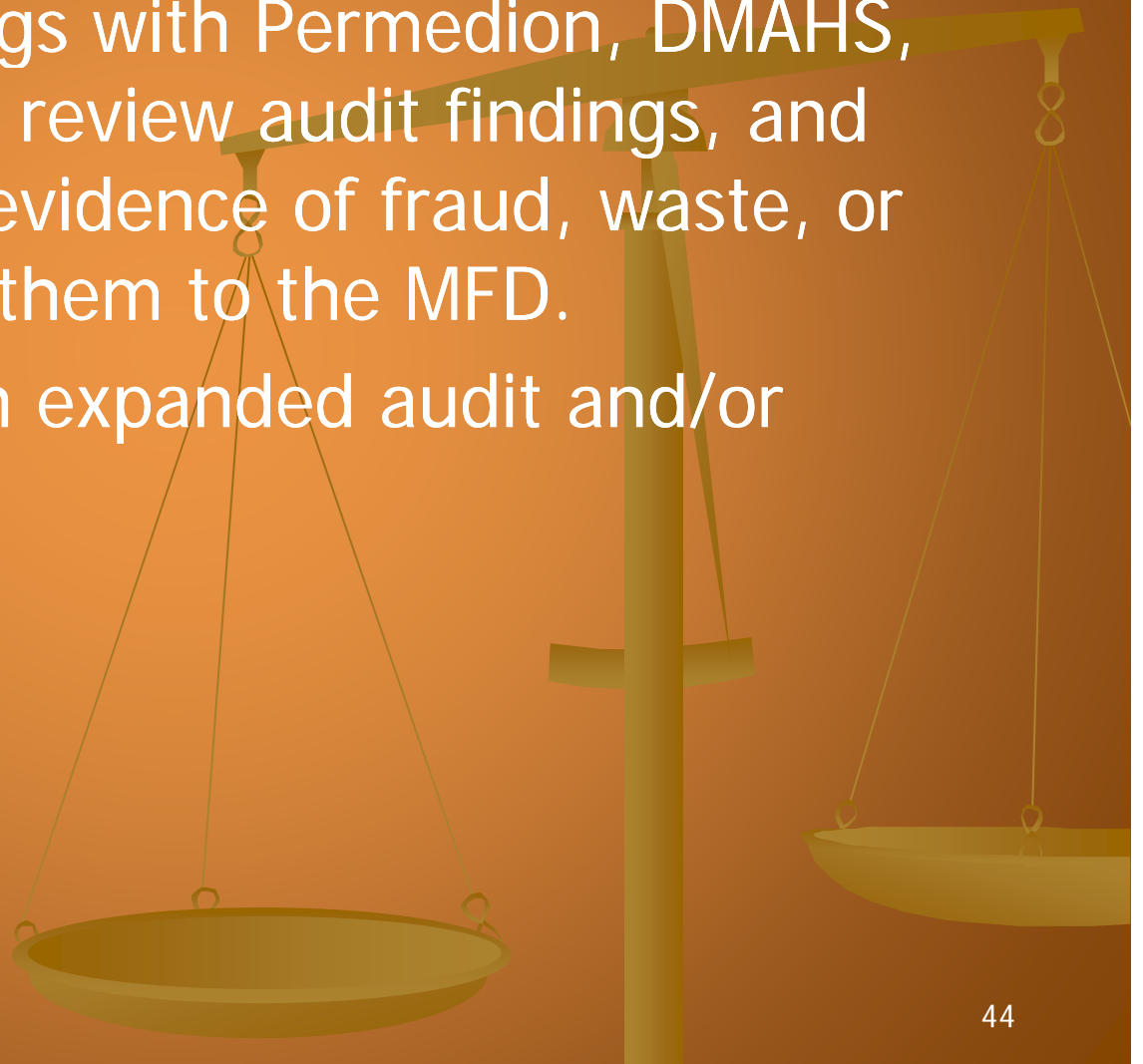
- Ferret out the fraud and abuse in the system, and there's ten billion dollars in the system. Last year, Medicaid recoveries and cost savings topped 270 million in New Jersey.
- Have a robust audit program and review schedule- provides a deterrent effect (can't just pay and chase).
- Review provider areas that have not been reviewed in quite awhile.

# MFD HOSPITAL INITIATIVES

- UTILIZATION AND DRG AUDITS
  - DMAHS has contracted with Permedion to conduct these audits.
  - Audits will begin in November.
  - UR Audits will include units that had been omitted before, i.e. psychiatric & rehabilitation.

# MFD HOSPITAL INITIATIVES

- Monthly meetings with Permedion, DMAHS, and the MFD to review audit findings, and where there is evidence of fraud, waste, or abuse, to refer them to the MFD.
- May result in an expanded audit and/or investigation.





# MFD HOSPITAL INITIATIVES

- COST REPORT AUDITS WILL FOCUS ON:
  - Physician payments for direct patient care
  - Administrative services
  - Rental space for private offices
  - Payments for undocumented or unnecessary services
  - Physician practice subsidies
  - Physician contracts, including fair market analysis of physician services

# Any questions?

- Office location is: P.O. Box 025, Trenton, N.J. 08625
- Phone Number: (609) 826-4700
- My Number: (609) 777-4167
- Website:  
[www.nj.gov/comptroller/divisions/medicaid/index.html](http://www.nj.gov/comptroller/divisions/medicaid/index.html)



# Open Discussion and Questions

