

## Hospice Insights: The Law and Beyond



### Episode 2: Breaking Down TPEs – Facts and Strategies

February 6, 2020

Speaker	Statement
<b>Meg Pekarske</b>	Hello! Welcome to Hospice Insights – The Law and Beyond, where we connect you to what matters in the ever-changing world of hospice and palliative care. In this episode, “Breaking Down TPEs – Facts and Strategies,” the Hospice Team shares insights on how to manage and succeed in responding to additional documentation requests (ADR) stemming from Targeted Probe and Educate (TPE) projects. We discuss the unique features of TPE and winning strategies for responding. Check out the Hospice Resource Center for tips and tools related to this episode.
<b>Bryan Nowicki</b>	<p>Hello! Welcome to Hospice Insights. This is your Hospice Team at Husch Blackwell, providing you with information about what is trending in the hospice area. This is Bryan Nowicki, from the Husch Blackwell Hospice Team and joining me are Meg Pekarske, our fearless leader, and Erin Burns, who’s been working on a lot of trending topics lately. What we have found recently with hospice is – first of all – there just seems to be an onslaught of enforcement activity across the board, coming in layers: Unified Program Integrity Contractor (UPICs) and Program Integrity Audits. And while that’s going on, hospices want to stay competitive and find ways to succeed, despite all that regulatory drag.</p> <p>What we want to focus on today is one of these waves of enforcement activity: it’s called a Targeted Probe and Educate, or TPE. I’m going to ask some questions of Meg and Erin and see what we can learn about TPE and how we can respond to them. First of all, I’ll open up the interview: what is a TPE? How’s it different from an audit?</p>
<b>Erin Burns</b>	TPE is different from a regular audit in that, first, it’s a prepaid review of claims and you’re not getting paid yet and they’re typically doing it in three rounds. You’ll get a first round of TPE claims. Through the whole three

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	<p>rounds, it can take between 20 and 40 claims. But they'll select a handful of patients to get individual ADRs and then you get reviewed to see whether or not you should be paid for those claims.</p>
<b>Bryan Nowicki</b>	<p>Who's issuing these? Is there a special auditor, or is it a Medicare Administrative Contractor (MAC), or who's actually behind the TPEs?</p>
<b>Erin Burns</b>	<p>The TPEs are done by your MAC and we've seen a lot from Palmetto lately but I think it is happening across the country.</p>
<b>Meg Pekarske</b>	<p>Yes, and I think that TPE is just a fancy new word for what used to be called Targeted Medical Review or TMR. So let's talk about extrapolation. In the past, we suddenly saw increased extrapolation because the government had just updated its guidance. So TPE – and a slew of TPE going on by Palmetto – really is in response to some changes in the manual about now calling it TPE. And so, as Erin said, there's some helpful differences between TPE and TMR and they're not pulling the entire pull the first month. This leads to cash flow problems. So, like you said, Erin, it's prepayment review, which is really helpful, right? In the sense of, it's not, "oh now you have a million dollar recoupment."</p> <p>But with sequential billing, it can lead to some, as you said, Bryan, drag. I mean this is financial drag, because even if get paid for the claim, it might take you 90 days to get paid. And you can't bill the other stuff behind it. So they don't pull all 40 in one month. They intersperse them and whatnot. And so I think that's an improvement to the process.</p>
<b>Bryan Nowicki</b>	<p>Let's break down the process a little bit further. How will the hospice know if it's been put on TPE?</p>
<b>Erin Burns</b>	<p>You get a letter from your MAC, notifying you that you're being put on this TPE program. And it could be a range of different TPE topics. So far we've seen topics ranging from General Inpatient (GIP) focus, routine homecare, bedding sharing, which is an overlap in patients during the dates of service requested. And then we also recently had a client that had a continuous homecare TPE. So, you get a letter letting you know that you're part of this program and then you wait for the ADRs.</p>
<b>Bryan Nowicki:</b>	<p>So that initial letter will tell you what flavor of TPE this is?</p>
<b>Erin Burns:</b>	<p>Yes.</p>
<b>Bryan Nowicki:</b>	<p>And then you mentioned ADRs. How long before the requests for patient records start rolling in? We've seen anywhere between a week to a few weeks. I think one client waited a month and then some get a letter and</p>



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	then haven't gotten any requests. So it really depends.
	And how many records is the MAC supposed to be pulling with this first round of ADRs?
<b>Erin Burns</b>	Between 20 to 40 claims. But's it's not going to happen in all one month and it will probably vary on your size and volume, which is – again – an improvement from the way it was
<b>Meg Pekarske</b>	And Bryan, let's talk about the notice letter because I think that's really important. We started the conversation about how is TPE different than an audit. And I think a key difference is – when we talk about the strategy, why it's different – you know exactly what they're focused on. It's not a shot in the dark. As Erin said, it's going to be one of the things we listed. It's going to be continuous care. It's going to be GIP. It's going to be bedding sharing. It's going to be routine healthcare. So you know exactly what they're looking at, which helps you be more proactive. Because sometimes if you don't know what they're looking at, you could actually do more harm than good by being proactive.
<b>Bryan Nowicki:</b>	So, what is the process set up to do? We'll talk about how to address the process, but what is the process of the TPE?
<b>Erin Burns:</b>	There is an initial round of TPE or your initial claims. You will submit to records and they are looking for any claim denials or whether you've met the relevant requirements for hospice eligibility and also technical requirements. If there are denials, that's when you can end up in a second round of TPE. If you don't have any claim denials, that's awesome and you're going to be out of TPE, out of that round for at least a year. And so you shouldn't be getting any more requests on that particular TPE topic. However, you can have more than one TPE project at a time. So you could be getting GIP requests and routine homecare requests at the same time.
<b>Meg Pekarske:</b>	That's been the real challenge with the current flurry – is that people are getting tapped for multiples and there's a lot of administrative work. It's six to eight hours to respond to each ADR. So if you get tapped for two, it can be a real challenge. And to what Erin said, in terms of denial and the threshold to move to the second level, I think the manual addresses 15 percent error rate. And it's unclear whether or not if you win on appeal, will they adjust your payment error rate? If people are right at 15 percent or a little bit over, there could be some advocacy you'd want to do and Palmetto's the one that's doing all the TPE, even though all the MACs can do it; Palmetto's the one that's most active in this area. It needs to be at this threshold of 15 percent or higher. It's a payment error rate. So what is it you got paid? We're going to talk about routine homecare and the



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	suspension of this recent TPE project on routine homecare and why they suspended it. I think their data was served crosswise with what they're really trying to achieve.
<b>Bryan Nowicki</b>	So, if I'm understanding correctly, you go through round 1, you have an error rate that exceeds 15 percent, then you're going to go on to round 2. What is round 2? Is that just another set of record requests?
<b>Meg Pekarske</b>	Correct. You kind of do it all over again. You get another chance to meet the error of threshold. If you don't meet it again, you go on to round 3. And round 3, another set of record requests, if you don't do well at round 3 and you haven't made improvement, you will be referred to the Centers for Medicare & Medicaid Services (CMS). With the referral to CMS, they can kind of do what they want with you and that includes a UPIC record request; the consequences of those can be expensive.
<b>Erin Burns:</b>	Yes. And so, another way that TPE is different than the old TMR is, remember it's charge, probe and educate. So after you get the first round they do education. There will be a pause after round 1. And if you have higher payment error rate, you're going to get education and then they're going to hold any further review, to let the education settle in, right? Before, with TMR it would just be constant, like, "How can I make improvements if you just keep auditing me? You're not going to see those improvements, and you're looking at claims before I got the education." So, I still don't know if there's enough of a gap that you're really going to let education sink in.
<b>Bryan Nowicki</b>	But when we start giving you the opportunity to learn from round 1 and implement changes so that on round 2, you can hopefully do a better job.
<b>Erin Burns</b>	You're exactly right.
<b>Bryan Nowicki</b>	OK. So with the TPEs, we know how they're different from audits. How they have so many advantages over prior processes, the steps along the way and the fact that they are telling you in advance what they're looking at. How does that all play into a good strategy for responding to a TPE? What are some of the points or tips that we have for people?
<b>Meg Pekarske</b>	Again, the fact that your initial letter notifying you that you're on TPE gives you this heads up to what they're looking at. You can head off any clinical eligibility denials potentially by doing some sort of advocacy piece on the front end – whether that's a cover letter or an individual patient summary. We've worked with clients on those. You say its GIP. You can look at the manual provisions that tells you what their requirements are for GIP and try to pick out those pieces of the patient's record or specific clinical data points that help show that the patient was eligible for GIP.



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<b>Bryan Nowicki</b>	Same with routine homecare; not as easy to pick out certain elements but I think clinical summaries ahead of time versus on the back end or on appeal might be helpful here.
<b>Meg Pekarske</b>	Right. With a UPIC audit or Program Integrity Audit, our typical guidance is that when you get a document request, just provide the documents without any advocacy piece. But when we know what they're going after, it's important to get a low error rate early on to get out of this process. Put together that advocacy piece when you're submitting the records the first time around.
<b>Bryan Nowicki</b>	Absolutely. And it doesn't need to be much more than a page. As Erin said, if its GIP, the manual does talk about how GIP might be appropriate. For instance, if you're getting discharged from a hospital – it goes for pain and symptom management and there are other criteria (I use this example loosely) identified in the manual that you can cite. And overall eligibility. And something you mentioned for audits, we always say, just provide the record to ask. Sometimes with an ADR, you might provide information before, or after the time period. Because you know that they're after eligibility and you might want to build up the record. We can't say this enough. With UPIC audit, you do not know what they're going after. And so, trying to head off something you don't even know is not very helpful. So, that's why we really suggest a different process. And I think clients can really handle these kind of clinical summaries on their own.
<b>Meg Pekarske</b>	Right. I understand we have tools. Erin you mentioned we provide clients with tips about how to address the GIP, TPE or other kinds of audits. What about that level of client's involvement or our involvement beyond giving the tools? What kind of additional guidance do we recommend or have we taken? Meg, as you've said, is this something that we found clients can handle on their own?
<b>Bryan Nowicki</b>	Yes, I think clients can generally handle this on their own. Tools can be helpful, like tracking sheets. Because your payment error rate shouldn't be a surprise to you, right? You want to be tracking those patients that are requested, what you think you're going to get paid. So the error rate isn't going to be a surprise to you because, if you're in the cusp, you might want to do some advocacy in terms of saying, "I really shouldn't have to go to a round 2."
<b>Erin Burns</b>	So, when you get the responses back from the MAC, it's not all in one letter neat with a percentage. You kind of have to keep up with their results.
<b>Erin Burns</b>	Well, they will eventually send you a letter that calculates it all, but I think



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	<p>you want to be doing it along the way, because they could be wrong. So, one of the things that just happened was the routine homecare audit that they had started – or TPE that they were doing. People got selected based on the amount they billed. Some people billed “usual and customary” knowing they were never actually going to get paid that. But the people selected for that audit were getting selected because they billed “usual and customary.” And so, it might say this claim is \$15,000. We know we’re only going to get paid \$5,000 for it. And so, Palmetto has suspended that to re-look at the data. Your error rate will be based on the payment error rate.</p>
<b>Bryan Nowicki</b>	<p>So what does that mean for people who currently have a routine homecare TPE. Is that suspended? Does that mean they can ignore it? Or should they respond to the ones that are currently out there and just not expect to receive anything more? Do we know what “suspended” means?</p>
<b>Meg Pekarske</b>	<p>All of this has just happened. I think the general guidance has been, you should respond to what’s in the pipeline. But they’re halting any further pulling on this and finding out what they’re really trying to look at, and realizing they probably need to recalculate the data strategy here. Because I think the medical review people are separate and apart from the data people, and the data people are the ones that identified: here are the people we want to target.</p>
<b>Bryan Nowicki</b>	<p>And I don’t think that’s the first, call it a “glitch” or something, about the TPE process. I became aware of some position Palmetto supposedly took about whether care choice programs are subject to a TPE audit, and whether it’s those programs or just patients. And it seems like a lack of clarity. My point is, Palmetto itself is working through some of this, and there may be opportunities for advocacy over the process overall.</p>
<b>Megan Pekarske</b>	<p>Absolutely, and I think this is where it’s really helpful – if you’re a member of a Hospice Palliative Care Organization (HPCO) or your state association – to let them know. Information allows for advocacy if you’re running into these issues. The routine homecare TPE is a great example. There were concerns, and those concerns were brought to Palmetto, and consequently there was suspension. Yes, we better take a closer look. I think if there’s something that seems off, you might want to call Palmetto or the MAC. But also consider letting someone else know because it’s probably not just you having this problem.</p>
<b>Bryan Nowicki</b>	<p>Yes. I think we’ve all experienced when it’s not just one hospice but we can speak on behalf of a lot of hospices. It’s easier to get people or Palmetto or the government’s attention to those kinds of issues.</p>
<b>Megan Pekarske</b>	<p>Absolutely. And I think that – just to put this into perspective – while these</p>



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	TPEs are taking up a lot of time and can drag on cash flow, the error rates coming out of TPE have been remarkably good. GIP: we have clients who got 0 percent error rate or 2 percent. That has been very favorable. And, we have generally heard favorable results. I'm not aware of people going to round 2. Yes, it's sort of in the staging. I don't know if we're there yet because all of this started at the same time. But I think that's good that people are faring pretty well. Because that's what clients will always ask us: "I'm getting audited. What other bad thing could happen to me as a result of this?" And so, with TPE, it is in the manual that you're going to get referred over for additional scrutiny if you can't get off in three rounds.
<b>Bryan Nowicki</b>	It's reassuring. Nice to know that some of the strategies we're suggesting are bearing fruit with low error rates of people getting out of that process early on rather than having to go through this for – I suppose it could go through a year or more. Not a place you want to be.
<b>Meg Pekarske</b>	Just as a side note, let's put this in perspective. It's so critical to keep track of claims that have been reviewed. So, if you are ever in the UPIC audit . . . and we just talked about having a spreadsheet of your ADRs and whether or not you're getting paid or denied, that is so critical. Because folks who had the unfortunate event of a UPIC audit and statistical extrapolation, we've been able to get extrapolations removed because it includes previously adjudicated claims, and you can't double dip, right? If we never got paid for this and the universe is all paid claims, that can be a problem. But if you don't have the evidence to show that, it's going to be hard because these audits go back a lot of years. So, your ability to go into the common working file and find what has been reviewed can be a real challenge.
<b>Bryan Nowicki</b>	Well, any parting words of wisdom or thoughts out there for hospices in the midst of a TPE? Or, I suppose any hospice can receive one of those letters at any time?
<b>Erin Burns</b>	I think I would just remind hospices that they're not in it alone. That this is happening to a lot of hospices, and there is light at the end of the tunnel, given that we've seen such favorable results.
<b>Meg Pekarske</b>	Yes. Absolutely. I think that's a good parting word. Hospices have been faring pretty well. And getting in your mind that this is different than a UPIC audit; TPE and ADRs are very different. And so they might require a different approach. The approach that we've suggested here where you're writing clinical summaries and putting your best foot forward. It does require time on the front end, but as Erin said, I think its paid off for folks. My guess is this will not be the last time that we talk about TPE in this podcast, because who knows. NGS or other MACs might start doing this



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right now.

**Bryan Nowicki**

Great. Well thank you Erin. Thank you Meg for all the information and thanks everybody for listening to the podcast. And if you have any questions about what we talked about today or really anything related to your hospice. We're here to help you and support you at Husch Blackwell, and you can visit us at [huschblackwell.com](http://huschblackwell.com). So until next time we'll see you later.

