

# THE LIVANTA CLAIMS REVIEW ADVISOR



*A monthly publication to raise awareness, share findings, and provide guidance about Livanta's Claim Review Services*

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## Short Stay Review - Sampling Strategy

### Decreasing Medicare's Paid Claims Error Rate

A primary objective of the Medicare claim review services contract is to work toward decreasing Medicare's paid claims error rate and protecting the Medicare Trust Fund. Livanta developed the Improper Payment Reduction Strategy (IPRS) as a tool to accomplish this important objective. The IPRS outlines the strategy Livanta uses to sample claims for short stay review (SSR). As a living document, Livanta updates the IPRS annually and incorporates empirical findings from the SSR reviews finalized during the previous year.

#### **BFCC-QIO Authority to Conduct Claim Review**

*"The BFCC-QIO shall conduct 'Short Stay Reviews' per 42 CFR 412.3, 42 CFR 405.980, and Hospital Outpatient Regulations and Notices (OPPS) and inpatient prospective payment system (IPPS) rules including annual updates, revisions and amendments as published in the Federal Register. These reviews should be conducted on a sample of Medicare post-payment Part A claims for appropriateness of inpatient admission under the Agency's Two Midnight Rule for acute care inpatient hospitals, long-term care hospitals, and inpatient psychiatric facilities."*

FY 2016 OPPS Final Rule, CMS-1633-F, effective January 1, 2016.

### SSR Sampling Strategy and Claims Weighting

As noted above, Livanta's recently updated IPRS was informed by completed SSR reviews. The prior year of completed SSR reviews provided actual data to move into evidence-based sampling. This approach applies the use of historical data to identify (1) diagnosis related groups (DRGs) most likely to be paid in error and (2) providers with high claims and payment amounts and/or high denial rates. The details of the methodology are described below.

#### **Sampling Prioritization Scores**

Sample prioritization scoring is a statistical process approved by the Centers for Medicare & Medicaid Services (CMS) in which individual components of short stay claims are weighted. The resulting weights are grouped into sampling strata based on their estimated relative risk of improper payment.

Higher priority strata are sampled at higher rates than lower priority strata. The ongoing review outcomes inform subsequent weighting and strata assignment.

Livanta devised a flexible approach that involves a compensatory prioritization system for targeted sampling. This strategy was employed successfully during the first year of SSR reviews and consisted of four components: (1) volume by CMS Certification Number (CCN); (2) cost; (3) clinical risk; and (4) length of stay. The findings from the first year of SSR reviews were published in the March 2023 Claims Review Advisor and can be found here:

<https://conta.cc/3zfHHha>

Livanta’s updated IPRS retains the compensatory prioritization system for selecting SSR claims likely to be in error with a few slight modifications. The components of volume, clinical risk, and length of stay remain, but cost did not prove to be predictive. Therefore, the updated prioritization system consists of three components as shown below, based on empirical findings and CMS direction.

**Table 1: SSR Compensatory Score**

<b>Component</b>	<b>Score = 1</b>	<b>Score = 2</b>	<b>Score = 3</b>
Volume by CCN	Low volume/growth	Medium volume/growth	High volume/growth
Clinical Risk	Low risk by DRG	Medium risk by DRG	High risk by DRG
Length of Stay	Low risk by LOS	Medium risk by LOS	High risk by LOS

### **Sampling Components**

- Volume by CCN – hospitals submitting the most inpatient short stay claims and hospitals with the highest volume growth of short stay claims are prioritized
- Clinical risk – analysis of the DRGs most often denied informed this category for ranking the DRGs as high, medium, or low risk of improper payment
- Length of stay – analysis of LOS using both the inpatient admission date as well as the from date on the claim informs this risk component

### **Sample and Extrapolation Adjustments**

Unless the total listing of eligible claims (the population) is sufficiently large, there will be times when the allocated number of claims for each stratum will not be met by the number of claims that are eligible for sampling from the designated strata. Under those conditions, the additional claims are selected from the higher priority strata, in concert with the stated goals of the IPRS.

# Hospital Samples



When a hospital has had at least 30 claims sampled and reviewed over a rolling 3-month period, those claims are aggregated to form a hospital-specific report of review findings that is sent to the hospital. The report is a summary of information the hospital has already received during the course of the monthly claims review process and includes identified areas for educational intervention where findings warrant. For subsequent reports, only aggregates of at least 30 newer claims will be used and presented such that information about errors is allowed to age out of each hospital-based report.

The process of accruing monthly review results over time helps to identify hospitals with higher error rates. Livanta is selecting targeted 30-claim provider samples each month to trend hospitals' performance and tailor education, in line with CMS priorities for hospital education.

## What Can Hospitals Expect?

Hospitals can expect to receive medical record requests by fax or mail for sampled short stay claims at the beginning of each month. These sampled claims will be reviewed for the appropriateness of inpatient admission under Medicare's Two-Midnight Rule. The greater the number of short stay claims that a hospital submits, the higher the likelihood that some of their claims will be sampled and reviewed.

These requests will be addressed to the medical record contact the hospital has designated in the Memorandum of Agreement (MOA) effectuated with Livanta. If a hospital has multiple claims sampled in a month, the medical record requests will be transmitted in one package.

The dates hospitals can expect to see SSR medical record requests are published on Livanta's website:

[https://livantagio.com/en/ClaimReview/Review\\_Types/ssr.html](https://livantagio.com/en/ClaimReview/Review_Types/ssr.html)

An example SSR record request template is shown below so that hospitals become familiar with identifying them.

Figure 1: Example SSR Record Request

 <p><b>Quality Improvement Organizations</b> Sharing Knowledge. Improving Health Care. CENTERS FOR MEDICARE &amp; MEDICAID SERVICES 10820 Guilford Road, Suite 202</p>	 <p><b>LIVANTA</b> From practical innovations to results. Annapolis Junction, MD 20701-1105</p>
<p><b>Date</b></p>	
<p><b>Contact Name</b>, Medical Record Department</p>	
<p><b>Provider Name</b></p>	
<p><b>Provider Address</b></p>	
<p><b>City, State, Zip</b></p>	
<p style="text-align: center;"><b>Initial Medical Record Request for Short Stay Review</b></p>	
<p>Livanta LLC is the Quality Improvement Organization (QIO) authorized by the Medicare Program to review services provided to Medicare patients. Federal guidelines (42 CFR 480.111) indicate that a QIO is authorized to have access to and obtain medical records and information pertinent to the health care services furnished to Medicare patients.</p>	
<p>Please forward a complete copy of the medical record requested below to Livanta. The medical record must be received by Livanta as soon as possible, but no later than <b>DUE DATE IN BOLD [30 days from date of request]</b>.</p>	
<p>For questions call the Short Stay Review Department at 844-743-7570.</p>	
<p>Please submit the following medical record in its entirety:</p>	
<p><b>QIO ID:</b> <b>QIO ID</b></p>	<p><b>EMR Key:</b> <b>EMR Key</b></p>
<p><b>Provider ID:</b> <b>Provider ID</b></p>	<p><b>Provider Name:</b> <b>Provider Name</b></p>
<p><b>Patient Name:</b> <b>Bene Name</b></p>	<p><b>Date of Birth:</b> <b>DOB</b></p>
<p><b>MBI/HICN:</b> <b>MBI/HICN</b></p>	<p><b>Medical Record #:</b> <b>Medical Record #</b></p>
<p><b>Admit Date:</b> <b>Admit Date</b></p>	<p><b>Discharge Date:</b> <b>Claim Thru Date</b></p>
<p>In compliance with 42 CFR § 476.78 (b)(2)(ii)(A), providers are required to submit medical records to the QIO electronically. If you are unable to submit using one of the methods below, please call Livanta's technical assistance line at 240-712-4300 x 2998.</p>	
<p>1. <b>Direct Secure Messaging.</b> Direct Secure Messaging can be performed inside many electronic medical record (EMR) systems. Direct Secure Messaging is <b>NOT email</b>. Medical records may be transmitted to Livanta through Direct Secure Messaging at this address: <a href="mailto:giossr@direct.livanta.com">giossr@direct.livanta.com</a> (This is not an email address)</p>	
<p>2. <b>Livanta File Transfer Portal.</b> Providers can upload medical records as a .PDF file through a portal application via <a href="https://livantagio.com/en/ClaimReview/Medical_Records/e-lift.html">https://livantagio.com/en/ClaimReview/Medical_Records/e-lift.html</a> by clicking on the e-LiFT portal button. To ensure secure transmission, providers must enter the QIO ID and the unique EMR Key supplied above before uploading any medical documentation.</p>	
<p>3. <b>esMD.</b> urn:oid 2.16.840.1.113883.13.34.110.1.500.17 (for more information on esMD, see <a href="http://www.cms.gov/esMD">www.cms.gov/esMD</a>)</p>	

# Questions?

Should you have questions, please email  
[ClaimReview@Livanta.com](mailto:ClaimReview@Livanta.com)

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