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2025 Compliance & Internal Audit Conference

Effectively Responding to Documentation & Coding Audits | Leading Practices for Compliance

Wednesday, December 3 - Friday, December 5, 2025

Mystic Marriott Hotel, Groton, CT

With You Today

Karen Murray
Chief Privacy Officer
Beth Israel Lahey Health

Karen has been a compliance & privacy professional for over 25 years serving as the Chief Compliance Officer for health systems in New England and across the country. Karen returned home to New England in 2021 where she is currently serving in the role of Beth Israel Lahey Health's Chief Privacy Officer and as the Associate Deputy Compliance Officer covering the system's community hospitals and service lines.

Bryan Nowicki
Partner
Husch Blackwell

With over 20 years of litigation and regulatory experience, Bryan guides hospice and healthcare clients nationwide through complex regulations. Trusted by home health agencies, hospitals, nursing homes, and palliative care organizations facing investigations and compliance challenges, he develops practical solutions that meet legal, clinical, and operational needs while promoting proactive compliance and innovation.

Kasey Ciolfi
Senior Associate
Husch Blackwell

Kasey is a healthcare regulatory and compliance advisor who counsels providers on a range of legal and operational issues. She specializes in the Determination of Need process, OIG-based compliance programs, and regulatory adherence, with deep expertise in Medicare compliance, payment strategies, Medicare Advantage, and PACE programs. Her five years in-house with major health plans give her unique insight into healthcare compliance complexities.

Kelly Sauders
Partner
Deloitte & Touche LLP

With over 25 years of experience, Kelly has developed, implemented, and assessed compliance programs for more than a hundred organizations. She has served as an interim compliance officer and a director of internal audit for major health systems and academic medical centers. Kelly guides clients through OIG reviews, investigations, self-disclosures, and Corporate Integrity Agreements, and frequently advises executive leaders and boards on compliance and risk.

Heather Hagan
Principal
Deloitte & Touche LLP

With over 19 years of experience, Heather delivers enterprise risk, operational improvement, and regulatory compliance services to healthcare organizations, including health systems and payers. She helps clients manage enterprise-wide risk initiatives, navigate business and regulatory changes, and lead operational improvements and digital transformations.

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Session Objectives

1. ***Gain practical insights for responding to external audits / reviews***
2. ***Learn strategies for conducting effective internal investigations***
3. ***Be exposed to written / oral interpersonal skills necessary to effectively engage internal and external stakeholders***

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External Audits & Reviews

Government Enforcement Landscape

Department of Justice (DOJ)

Civil and criminal divisions, which includes the **United States Attorneys Office (USAO)** and **Federal Bureau of Investigation (FBI)**, both of which investigate and enforce applicable laws.

Department of Health & Human Services (HHS)

Includes the **Office of the Inspector General (OIG)** and **Centers for Medicare & Medicaid Services (CMS).**

- **OIG**: Conducts investigations and audits to combat fraud, waste, and abuse under HHS programs (e.g., Medicare and Medicaid). Can result in criminal, civil, or administrative enforcement actions.
- **CMS**: Relies heavily on audits and can conduct enforcement through provider enrollment.

Congress

Certain committees **may impact investigations and enforcement**, such as the Senate Finance Committee's 2025 investigation into the impact of private equity ownership on healthcare (as one example).

Government Contractors

There are **many types of contractors** with varying **responsibilities, requirements, and incentives**.

- Medicare Administrative Contractors (MACs)
- Recovery Audit Contractors (RACs)
- Unified Program Integrity Contractors (UPICs)
- Supplemental Medical Review Contractor (SMRC)
- Center for Program Integrity (CPI)

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Government Contractors Involved in Enforcement

Contractor Type	Responsibilities / Duties
Medicare Administrative Contractors (MACs)	• Process **submitted claims**, **remit payment**, and **issue demand letters**. • Conduct **pre- and post-payment claim review** (*i.e.*, targeted probe and educate edits). • Process **redetermination requests** and **issue redetermination decisions**. • Develop **local coverage determinations** (LCDs). • **Key players** in provider enrollment. • *Examples*: National Government Services, Inc., CGS Administrators, LLC, and Palmetto GBA.
Recovery Audit Contractors (RACs)	• Conduct **automated and complex** reviews. • Possible **financial incentive** to **deny claims**. • Recent **uptick in hospice RAC audits**. • *Example*: Performant Recovery, Inc.
Unified Program Integrity Contractors (UPICs)	• Replaced **ZPICs and MICs**. • Focused on **fraud**, **waste**, and **abuse** detection. • **High risk**, as they may **extrapolate overpayments** and refer cases to the FBI, OIG, and DOJ. • *Examples*: Qlarant Integrity Solutions LLC, SafeGuard Services, LLC, and CoventBridge, Inc.
Supplemental Medical Review Contractor (SMRC)	• Only **1 SMRC** – Noridian Healthcare Solutions, LLC. • Conduct **subject- or project-focused reviews**. • Opportunity for a **"discussion and education"** session **prior to a final determination**.
Center for Program Integrity (CPI)	• **CPI audits** are **also conducted by the SMRC** (Noridian), but there is no discussion / education. • Typically **focused on long length of stay** patients.

Developing Your Audit Response Infrastructure

1

Create an active Audit Response Team comprised of key leadership, trusted members in other departments, and legal counsel.

2

Educate your employees; knowledge creates credibility and confidence.

- Interviews or entrance conferences are on the rise in UPIC audits.
- Train employees in interview procedures and techniques.

3

Develop audit response protocols.

- Build confidence in your team by knowing *what* documents you have, *where* they are located, and *how* they are stored.
- Identification of audit notification, procedure for onsite interview, location of records, etc.
- Conduct mock testing and follow-up education and training.

Be Wary of Traps!

"But why am I getting audited?"

- Distracting yourself with "why" is **unproductive** when staring down a deadline.
- Do not **delay action** by **trying to figure out "who" complained** or **"what" the data analysis is**; the answers do not change your response.
- Keep your team **focused on the audit goals.**

"I need to self-audit these records."

- **DO NOT:** second guess clinical decision-making, alter or "correct" records, or review records for "compliance."
- The **government is auditing the records** and has not asked you to perform a "self-audit."

Be Wary of Traps! (cont.)

"I Know What Will Help"

- Produce the **information requested, not what you think may be "helpful**" because you don't know the "why."
- Doing so may:
  1. Expand **the audit**
  2. Increase **denials**
  3. Needlessly **create more work**

"We were fast!"

- It **takes time to organize voluminous records**.
- You get **no points for responding in record time**… Prioritize "thoughtful over "fast."
- "Triple check" that **records are responsive, double-sided, and include full care plans**.
- May **need to gather records from other providers** to support eligibility.

General Appeal Considerations

Role of Organization vs Legal Counsel

Understand the implications of technical vs clinical denial

Validity of the statistical report and underlying methodology, if extrapolated

Limiting "scope creep"

- *Review is limited to the reason(s) the specific claim or line item was initially denied.*

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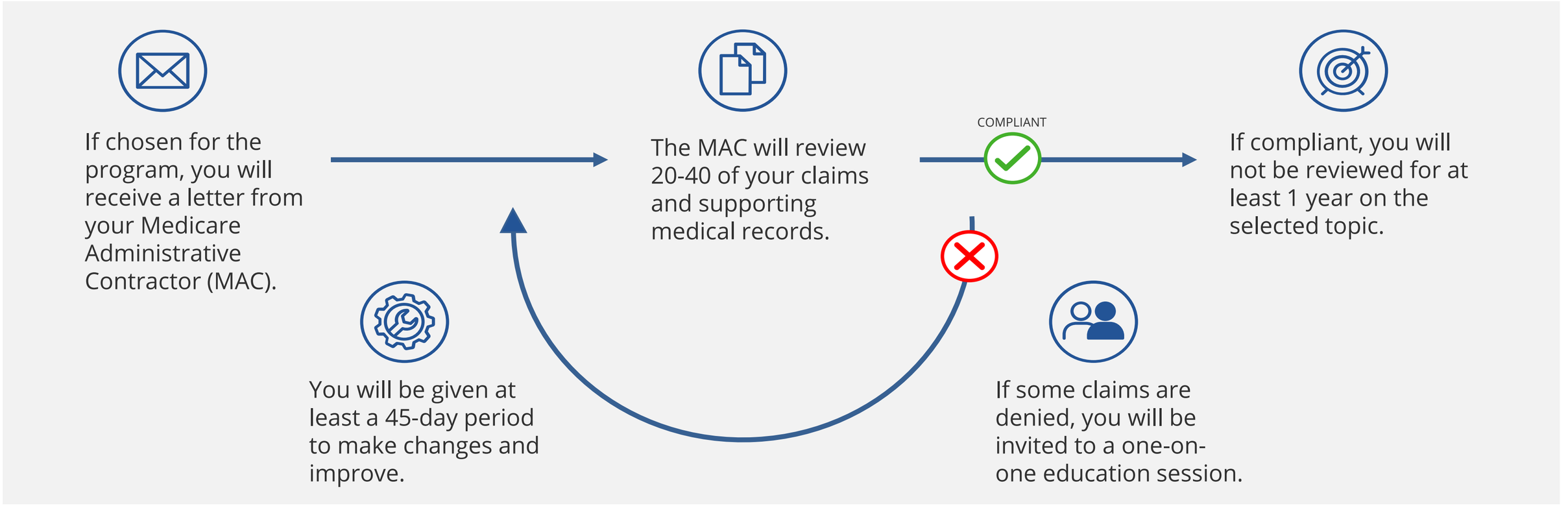
Targeted Probe and Educate (TPE)

The CMS TPE program aims to assist providers and suppliers who are non-compliant with Medicare policy in minimizing claim denials and appeals by offering individualized guidance and support.



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TPE – Programs for Short Stay Reviews

Inpatient Hospital Reviews Update

In July, the Centers for Medicare and Medicaid Services provided more details to the public regarding transition of inpatient short stay (hospital) medical reviews and provider education (i.e., patient status reviews) to the MACs.

Identified Changes and Updates

Transition of Short Stay Patient Status Reviews

- Responsibility for reviewing inpatient admissions (especially short stays) is shifting from BFCC-QIOs to MACs.
- Hospitals must now submit requested medical records to their MAC; MACs will provide education and training regarding this transition.

Implementation of the TPE Program for Short Stay Reviews

- MACs will use the TPE process for inpatient short stay reviews, targeting providers with aberrant billing or higher risk.
- Reviews are typically prepayment (before payment is made).
- Each round involves 20-40 claims per provider, with up to three rounds before further action.

MAC Clinician Reviewers and Quality Assurance

- Registered Nurses will conduct MAC hospital patient status reviews, with Medical Directors available for complex cases.
- MACs are required to maintain a quality assurance program
- CMS will continue to monitor MAC determination quality and accuracy.

Additional Document / Development Requests (ADR)

An ADR is a **formal notification sent by Medicare contractors**, such as National Government Services (NGS), to healthcare providers when a submitted claim requires further review. The ADR asks providers to **supply specific medical documentation within 30-45 days** to support the claim and verify that the billed services meet Medicare's coverage, coding, billing, and medical necessity requirements.

Types and Sources of ADRs

- NGS claims and medical review departments issue ADRs
- Claims department ADRs are for pre-payment reviews; medical review ADRs can be pre-payment or post-payment.

Submission Responsibilities

- NGS is not involved in reviews conducted by other CMS audit contractors.
- Providers and suppliers must submit requested documentation directly to the address specified by the requestor

ADR Content and Requirements

- Each ADR letter includes the requesting contractor's name, the specific claim, the reason for the request, required medical records, submission deadline, address for submission, and instructions for submitting records.

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Case Study #1

Case Study #1: Potential issues identified during an ongoing TPE review

You are the compliance officer at a community hospital . You have just received an “urgent” message from the Director of Health Information Management (HIM) asking you to call her. When you call the Director of HIM, she relays the following:

- One of the coders told the HIM director that she overheard two clinicians discussing a physician in the outpatient psychiatry department
- Apparently, the **physician just doesn’t have time to review and sign the patient treatment plans** in the clinical information system each day, so **he has instructed one of the clinicians to log in under his name** (he provided his login ID, etc.) and sign off on the treatment plans
- The other clinician just learned what her colleague is doing and **wants to report this to the compliance officer; however, the two are friends** and the one clinician doesn't want to cause the other to lose her job.
- This is occurring in outpatient behavioral health, where you just learned your organization received a TPE notice.
- Where do you start?

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Internal Investigations

What is the Compliance Issue?

Allegation

A **claim or assertion** that someone has **done something illegal or wrong**, typically made without proof **requiring further investigation**.

It is imperative that a **critical review of the primary issue is conducted** to **determine which department** is best suited to **serve as the primary investigator**.

In these instances, **any compliance related matter should still be investigated Office of Compliance (OCP)**, but the overarching investigation may need to be assigned elsewhere.

Compliance functions should generally **serve as the primary investigator** for **issues including** but **not limited to the following**:

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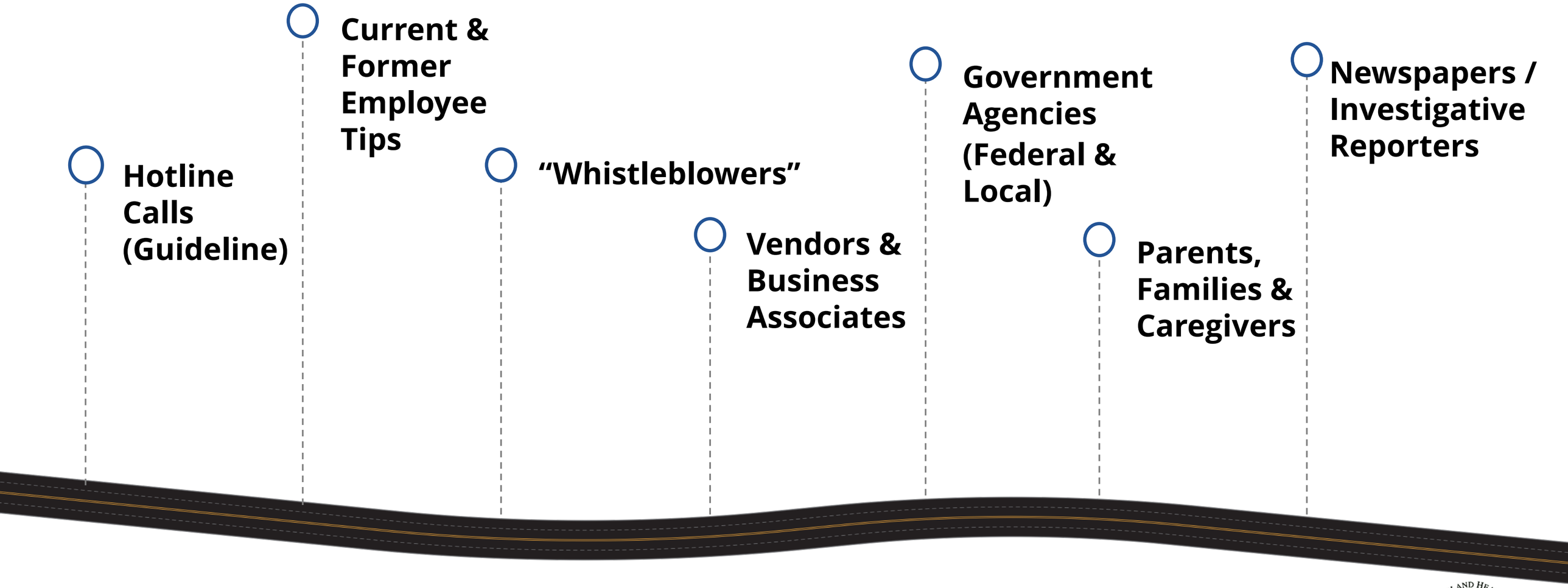
How did We Get Here?



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Determining Investigation Scope

Select an **investigative team** and **consider if legal needs to apply privilege**

Perform the investigation as efficiently (cost and time) as possible

Suggest **potential remedial actions**

Respond to **interested parties** (external auditors, OIG, etc.)

Investigation **scope / limitations**

- *Internal auditor authorities*
- *Outside forensic assistance*

Consider using the **OIG's Voluntary Disclosure Protocol** as a guide

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Key Considerations Before Commencing an Internal Investigation

Planning and Preparing

- **Who** should **conduct the investigation**?
- When and how should **attorney-client privilege be used**?
- When and how should an **issue be escalated** to **leadership and the board**?
- How should the **investigation be conducted**?
- What should the **scope** of the investigation be?
- What will be done with the **results of the investigation**?
- Are there **alternatives** to conducting a **formal investigation**?

Impacts and Vulnerabilities

- Do the allegations have **financial implications**?
- Do we **lack** the necessary **experience**, **capabilities**, and **independence** to conduct this investigation?
- What is the **potential exposure of the allegations** to the **public**?
- Can it **possibly hurt our brand or reputation**?
- **What will be done** with the **results of the investigation**?

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Report Writing

Purpose

- *Show Investigation Results*
- *Explain Investigative Process*
- *Reveal Discovered Facts*
- *Summarize Activities over a period of time*
- *Provide Recommendations / Conclusions*
- *Provide Reference Material*

Approach

- *Clarify Thoughts*
- *Prepare a Timeframe*
- *Prepare an Outline and Organize by Issues*
- *Integration of Facts*
- *Include the Why, What, Where, Who, When*

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Post Report Review

What Do I Consider Next?

Investigation Findings

What are your investigation findings? Was the report substantiated or unsubstantiated?

Identified Gaps

Were there any outlying gaps at the end of the investigation that were unable to be answered during interviews or other actions taken?

Corrective Action Plan

Who do I need to talk to/ who is responsible for creating the corrective action plan?

Risks to the Organization

Based on the outcome of the investigation are there any risks to the organization that need to be considered and/or escalated?

Outcomes of an Investigation

Corrective / Disciplinary Actions

What are the determined corrective action plans that need to be implemented? At what level will an individual be disciplined based on the outcome of the investigation?

Reporting Obligations

Are we obligated to report findings externally? If so, how do we report?

Remediation and Recoupment

Is there any monetary recoupment that needs to be occurred?

Dissemination of Final Report

Who will receive the final report of your investigation and how will it be released?

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Case Study #2

Case Study #2: Hotline complaints about a vendor

Over the past two weeks, a number of **anonymous hotline complaints** have been received concerning the Corporate Assistant Vice President (AVP) of Facilities at your health system **and her relationship with a particular vendor**

To summarize, the complaints have included the following:

- The vendor was receiving numerous “no bid” contracts and was charging excessive fees.
- The AVP allegedly has a financial relationship with the vendor.
- The AVP allegedly forced the purchasing department to use this vendor

The Corporate AVP happens to be **a close personal friend of your health system’s Chief Operating Officer**

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QUESTIONS

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