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Medicare Cost Report Audit Reviews and Appeals

I. SCOPE:

This policy applies to Tenet Healthcare Corporation, its consolidated subsidiaries and all hospitals and other healthcare operations owned or operated by Tenet’s consolidated subsidiaries (Tenet).


II. PURPOSE:

Cost reports are filed with the intermediaries of Centers for Medicare and Medicaid Services (“CMS”) to determine the amount of reimbursement due providers for the treatment of Medicare patients. Once these reports have been settled, a provider has 180 days from the Notice of Program Reimbursement (“NPR”) date to file an appeal on any of the intermediary's adjustments.

III. POLICY:

- A.** It is Tenet’s policy that reimbursement claimed and paid in the cost report and ultimately settled through the NPR is only that reimbursement which Tenet is entitled to receive under the Medicare Program’s rules, regulations and statutes. Tenet will avail itself of every opportunity to receive such reimbursement, including the use of the formal appeal process, reopening requests and other processes established by the CMS or its fiscal intermediaries. Accordingly, Tenet will promptly notify its fiscal intermediaries upon identification of errors or omissions in the cost reports that result in a misstatement of reimbursement and otherwise comply with the requirements of its Corporate Integrity Agreement.

- B.** The Government Programs Department (“Government Programs”) will review cost report adjustments made by the intermediary on the NPR and determine which adjustments to appeal to the Provider Reimbursement Review Board (“PRRB”). In order to minimize subsequent appeals and reopenings, it is the policy of Tenet to work with the fiscal intermediary during the field audit and exit conference to resolve audit issues prior to the issuance of the NPR. Government Programs will be responsible for the appeals process to the PRRB, with the hospital providing assistance as needed. Every effort will be made to resolve disputes with the intermediary before the hearing is held. Outside legal counsel may be obtained by Government Programs if necessary. Such assistance will be coordinated through Tenet’s Law Department.


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- C. The reimbursement impact of successful appeals will be recognized as a prior-year contractual adjustment when Tenet is advised of the favorable outcome of the appeal.

IV. PROCEDURE:

A. GOVERNMENT PROGRAMS DEPARTMENT

1. Within 180 days of issuance of the NPR, Government Programs will review all intermediary adjustments and make a determination as to which adjustments should be appealed.
2. Each audit adjustment will be reviewed for mathematical accuracy, reasonableness and appropriate application of program rules, regulations and statutes. The audit review will include an evaluation of the overall settlement and identification of audit errors (both favorable and unfavorable), for which, either a “Request for Reopening,” appeal, or other action consistent with policy GP 010 Cost Reporting, as applicable, will occur.
3. A “Request for Reopening” for any errors, including but not limited to audit errors or other errors discovered after the NPR is received, that can be resolved administratively will be filed within the time frame permitted. Generally, this is within three years of the date of the NPR. For those audit issues that cannot be resolved administratively, a formal appeal will be filed. In all cases, Tenet’s appeal rights will be preserved as deemed necessary.
4. Government Programs will file the appeal within the prescribed time frames. They will then gather information and initiate preparation of position papers on the issues involved with the appeal in accordance with the PRRB scheduling process.
5. For those issues which are not resolved with the intermediary prior to the hearing with the PRRB, legal counsel may be obtained for assistance with the hearing. Any legal costs incurred will be expensed to Corporate and not allocated to the hospital.
6. Government Programs will follow individual state guidelines for Medicaid appeals.

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7. The Government Programs Director of Appeals will coordinate with the Government Programs Director of Cost Reporting regarding the treatment of appeal items on cost reports submitted subsequent to the appeal review described in IV.A.1. above.

B. HOSPITAL

1. The hospital will assist Government Programs with any requests relating to the pursuit of accurate payment.
2. The hospital will promptly forward any correspondence pertaining to Medicare audits, appeals or settlements to the attention of the Vice President, Government Programs.

C. REPORTING POTENTIAL COMPLIANCE ISSUES

1. Individuals should report potential compliance cost report issues as per RCC policy # 4.21 Internal Reporting of Potential Compliance Issues. Potential reportable cost report issues include, but are not limited to, the following:
 - a. False or fraudulent entries in the documentation provided to Government Programs for submission of the cost report (e.g., characterizing non-allowable marketing as an allowable covered cost).
 - b. False or fraudulent backup documentation for cost reports.
 - c. Failure to follow this policy and other policies and procedures established by Tenet's Government Programs Department.
 - d. Failure to timely respond to any information requests pertaining to the cost report, including but not limited to information required to support a cost report audit or appeal.
 - e. Failure to promptly notify the Government Programs Department of accounting errors or other information that may require a disclosure to the fiscal intermediary or amending a previously filed cost report.