

	<b>MEDICAL ASSISTANCE BULLETIN</b> COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE	
	<b>SUBJECT</b> Inpatient Hospital Services Retrospective Review Findings	<b>BY</b>  Eileen M. Schoen Deputy Secretary for Medical Assistance Programs
<b>NUMBER:</b>	11-90-08, 12-90-03, 13-90-02	
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<b>EFFECTIVE DATE:</b>	July 9, 1990	

**PURPOSE:**

The purpose of this bulletin is to:

1. Inform hospitals of the Medical Assistance (MA) Regulations violations identified through the hospital inpatient retrospective review program, and
2. Remind hospitals to review and evaluate their medical record keeping, IDC-9-CM coding and billing practices to ensure compliance with MA regulations, thereby preventing sanctions.

**SCOPE:**

This bulletin applies to general hospitals, rehabilitative hospitals and rehabilitative units of general hospitals, and private psychiatric hospitals and psychiatric units of general hospitals.

**BACKGROUND:**

The Department of Public Welfare is mandated under the Social Security Act to implement a Statewide Surveillance and Utilization Control Program for all services rendered to medical assistance recipients that include a post payment (retrospective) review program. These requirements are also specified in 42 CFR §456, 55 Pa. Code §1101, 55 Pa. Code §1163, 55 Pa. Code §1151, MA bulletins, the Manual for Concurrent Review of Inpatient Hospital Services (CHR), the Manual for Diagnosis Related Group review of Inpatient Hospital Services (DRG) and the Manual for Place of Service Review (PSR).

The Department's CHR, DRG and PSR review processes evaluate the need for inpatient services based on telephone discussions with hospital representatives and/or information submitted by the hospital via the Hospital Admission DRG/CHR Certification, Form MA87(c).

The retrospective review program performs a more in-depth analysis and uses, reviews and relies on the documentation in the hospital's records to determine compliance with MA regulations. This includes reviews of complete medical records, analysis of invoices and itemized bills, and evaluation of billing and record keeping practices. This is performed by in-house record reviews and on-site visits to hospitals as well as through other sources of information. Therefore, if the retrospective review determines that there are violations of MA regulations, the Department will deny payment for the services, regardless of whether the hospital admission was previously certified.

Through either the CHR, DRG and PSR inpatient hospital review processes or retrospective reviews, if the Department determines that services billed are not in compliance with MA regulations, payment may be denied and appropriate provider sanctions applied as specified in the MA regulations.

The Inpatient Client Services Section within the Bureau of Hospital and Outpatient Programs is responsible for the CHR, DRG and PSR review processes. The Bureau of Quality Assurance (BQA) (formerly the Bureau of Utilization Review), Division of Analysis and Quality Improvement, is responsible for the inpatient hospital retrospective review program.

**DISCUSSION:**

During 1989 and 1990, BQA reviewed a substantial number of hospital inpatient medical records and found violations of various MA regulations in a large number of cases.

The various hospitals were notified of the violations found, which include:

1. quality of care issues,
2. unnecessary admissions and continued stays,
3. delays in discharge and discharge planning,

4. incorrect billing information,
5. inappropriate or duplicate charges included on the hospital invoice,
6. charges for inpatient services that are not ordered or documented in the medical record,
7. improper alterations of dates on the hospital copy of the MA 87 (c ),
8. miscoding of diagnoses and patients' discharge status,
9. diagnostic tests ordered/performed with results missing from record or no order written for tests,
10. different dates of service on billing invoice and medical record,
11. medical necessity for inpatient care not documented in the medical record,
12. attestation statements missing or not signed,
13. illegible notes and signatures,
14. treatment plans not signed by the physician,
15. notations by ancillary personnel that are not countersigned by the physician,
16. alterations to the medical record which are not signed or dated,
17. therapy ordered but not documented as received or results missing,
18. discharge summary and progress notes missing or incomplete,
19. delays in performing procedures,
20. lack of patient identification on each side of each page of the medical record,
21. other record keeping and billing discrepancies, and
22. other noncompensable services

**The complete medical record is an essential component of good patient care. It is used extensively to evaluate the services and quality of care rendered to patients, and must accurately, legibly, and completely reflect the chronological evaluation and treatment of the patient. The medical record must speak for itself; if something is not documented, the presumption for review purposes will be that it did not happen. Information recorded on itemized bills, invoices, MA87 forms or presented by telephone must concur with the medical record documentation.**

When the Department finds that medical assistance regulations have been violated, appropriate action will be taken. This may include seeking restitution, prepayment review of all invoices and records, or termination of the provider agreement.

**PROCEDURE:**

1. Hospitals should review their inpatient medical records, billing and ICD-9-CM coding practices and, where necessary, implement corrective measures to ensure compliance with medical assistance regulations.
2. Hospitals should ensure that all personnel rendering care to a medical assistance recipient review and comply with Chapter 1101, General Regulations; Chapter 1163, Subchapter A, or 1163, Subchapter B, Inpatient Hospital Services Regulations; Chapter 1151, Private Psychiatric Inpatient Hospital Regulations; the DRG and CHR Manuals; applicable MA bulletins; and the Inpatient Hospital Handbooks.
3. Hospitals should intensify their quality assurance and utilization review activities to ensure the medical necessity for inpatient admissions and continued stays.
4. Hospital billing personnel must know the billing requirements and services compensable under the MA Program. These instructions are found in the regulations mentioned, MA bulletins, and appropriate handbooks.

**The procedures remain in effect by the Department to deny payments for inpatient services for non-compliance with MA regulations: recouping monies, prepayment review of all invoices and records, and applying administrative sanctions, when necessary.**

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

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Visit the Office of Medical Assistance Programs website at [www.dpw.state.pa.us/omap](http://www.dpw.state.pa.us/omap).