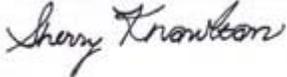


	<b>MEDICAL ASSISTANCE BULLETIN</b> COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE	
	<b>SUBJECT</b> Inpatient Hospital Services Retrospective Review Findings	<b>BY</b>  Sherry Knowlton Deputy Secretary for Medical Assistance Programs
<b>NUMBER:</b>	11-92-11, 12-92-11, 13-92-07, 53-92-05	
<b>ISSUE DATE:</b>	July 3, 1992	
<b>EFFECTIVE DATE:</b>	JULY 3, 1992	

**PURPOSE:**

The purpose of this bulletin is to:

1. Inform hospitals of the violations of the medical assistance (MA) regulations which have been identified through the hospital inpatient retrospective review program,
2. Remind hospitals to review and evaluate their medical record keeping, ICD-9-CM coding and billing practices,
3. Provide hospitals with information to ensure their compliance with MA regulations, thereby preventing sanctions, and
4. Alert hospitals of problems areas so they can improve care to recipients and provide educational services to employees.

**SCOPE:**

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

**BACKGROUND:**

On July 9, 1990, MA Bulletin #11-90-08, 12-90-03, 13-90-02, cited violations of regulations identified by the Bureau of Quality Assurance retrospective review process. This bulletin will describe those violations that have been identified since that bulletin was issued.

**DISCUSSION:**

Since July 1, 1990, 46% of hospitals enrolled in the MA Program have had records selected for retrospective review. This includes 31% of the general hospitals, 35% of the rehabilitative and 74% of the psychiatric hospitals enrolled. A substantial number of their inpatient hospital medical records were reviewed by either an in-house record review or through on-site visits. In addition, invoices and itemized bills were analyzed, and hospital-billing practices evaluated.

The results of the reviews show that more than 98% of the hospitals had at least one or more violations of MA regulations. Hospitals were notified in writing of the MA violations and have been very cooperative in implementing corrective measures or enforcing their existing in-house requirements to comply with MA regulations. Hospitals have also incorporated these findings into their policy and procedures for notification to hospital employees.

MA violations identified, include the following:

1. **Quality of Care Issues:**
  - a. services of inferior quality or below accepted medical treatment standards
  - b. unnecessary procedures performed
  - c. diagnostic tests performed without a written order
  - d. inappropriate treatment or lack of treatment for the identified diagnosis
  - e. incorrect diagnoses

- f. delay in treatment
  - g. premature discharge
  - h. medication errors
2. **Unnecessary admissions for services which could be performed in an outpatient setting.**
3. **Delayed discharges for services that could be provided at an alternate level of care, and/or delayed discharge planning.**
4. **Record Keeping Violations:**
- a. no medical record available
  - b. attestation statement missing, altered or not signed
  - c. MA-87 form altered or not in medical record
  - d. illegible entries and signatures
  - e. treatment plan not approved/signed by attending physician
  - f. ancillary personnel notes not cosigned
  - g. alterations not signed and/or dated
  - h. laboratory reports, therapy notes or consultation reports missing
  - i. lack of patient identification on pages/reports
  - j. discharge summaries and progress notes missing, incomplete or inaccurate
  - k. lack of documentation to substantiate the medical necessity for inpatient care and/or tests ordered

The complete medical record is an essential component of good patient care. It is used to evaluate the services and quality of care rendered to patients, and must accurately reflect the treatment provided. If something is not documented, the presumption for review purposes will be that it did not happen.

5. **Inaccurate Information on the Invoices:**
- a. miscoding and/or upcoding of diagnoses and/or procedures
  - b. miscoding of admission class
  - c. incorrect patient status code
  - d. dates of service that do not match the medical record
  - e. incorrect recipient line number

Note: These items can affect payment.

6. **Inappropriate Charges Included on the Invoice**
- a. services not ordered, not provided or not documented in the medical record
  - b. duplicate charges
  - c. billing separately for items included in a panel
  - d. professional charges
  - e. services for days denied through the concurrent hospital review process

- f. convenience items (personal care, admission kits, television, telephone)
- g. days of care not approved by the hospital utilization review committee
- h. misuse of ancillary codes
- i. services provided by or supervised by a physician precluded from the MA Program
- j. services covered by an other payment source, which could have been paid in full by another party

Note: Charges for other payors may not be lower than those charged to the Medical Assistance Program.

**7. Failure to Comply with Department Requests for Information:**

- a. untimely submissions of medical and fiscal records
- b. submission of incomplete records
- c. untimely submission or failure to submit a plan of correction to MA violations
- d. untimely submission of claim adjustments (over 15 days), or no submission at all

**8. Additional Finding:**

- a. Hospital computerized programs contain incorrect information, thereby causing billing errors.

**PROCEDURE:**

1. Hospitals should review their inpatient medical records, billing and ICD-9-CM coding practices, and 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 Provisions; 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 Handbook.
3. Hospital personnel should comply with Department requests for information to be in compliance with the terms of their provider agreement and the MA regulations specific to their provider type.
4. Hospitals should continue to ensure that all physicians responsible for the care and treatment of MA recipients are not precluded from participation in the MA Program.
5. Hospitals should intensify their quality assurance and utilization review activities to ensure the medical necessity for inpatient admissions and continued stays.
6. Hospitals billing personnel should be aware of billing requirements and services compensable under the MA Program. These instructions are found in the regulations mentioned, MA bulletins, and appropriate handbooks.
7. Hospitals should provide services in the most cost-effective manner and intensify their quality assurance and utilization review activities.

**DEPARTMENT SANCTIONS:**

Department procedures remain in effect to deny payments for inpatient services for non-compliance with MA regulations. The Department also may recoup monies, perform prepayment review of all invoices and records and may apply other administrative sanctions when necessary, including preclusion from participation in the MA Program.

Hospitals that continue to have violations after having received written notification by the Department will be subject to administrative sanctions.

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

DPW, Bureau of Quality Assurance  
P.O. Box 2675, Harrisburg, PA 17105

(717) 772-4617 OR (717) 772-4619

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