



CLINICAL CLAIM REVIEW

Provider Insight: Inpatient Rehabilitation Facility Review

When a health plan client requests HMS perform a medical record review of claims for Inpatient Rehabilitation Facility (IRF) benefits, the purpose is to ensure provider compliance with CMS regulations and policies, as well as documentation requirements for inpatient rehabilitation services.

The IRF benefit is designed for patients with complex medical needs.

IRF Benefit Background

The IRF benefit is designed to provide intensive rehabilitation therapy in a resource intensive, inpatient hospital environment for patients with complex medical needs who require an interdisciplinary team approach.

The Centers for Medicare & Medicaid (CMS) sets the standard for reimbursement and coverage guidelines, and therefore, most payers follow CMS criteria. For those health plans with specific IRF policies that may differ from CMS, HMS will ensure reviews reflect the applicable policies. Importantly, IRF level of care is only considered by CMS to be reasonable and necessary if the patient meets all of the requirements outlined in 42 CFR §§412.622(a)(3), (4), and (5), as interpreted in the Medicare Benefit Policy Manual, Chapter 1, Section 110.

The IRF prospective payment system payment for each patient is partly based on information found in the IRF-patient assessment instrument (PAI). The IRF-PAI contains clinical, demographic, and other information and classifies the patient into distinct groups based on clinical characteristics and expected resource needs. Separate payments are calculated for each group.

IRF Review Scope

The IRF Review verifies key criteria, including:

- CMS, state, or client health plan policy criteria were met for IRF level of care, such as:
 - The patient required supervision by a rehabilitation physician, and the physician conducted visits as required
 - The patient required the active and ongoing therapeutic intervention of multiple therapy disciplines (physical therapy, occupational therapy, speech-language pathology, or prosthetics and orthotics)

- The patient required an intensive rehabilitation therapy program, which under current industry standards consists of at least three hours of therapy per day, at least five days per week
- The patient's condition and functional status were such that the patient could actively participate in, and make measurable improvement, as a result of IRF level of care.
- Documentation requirements for IRF level of care were completed with all required elements, such as preadmission screening, post-admission physician evaluation, individualized plan of care, interdisciplinary conference notes, and IRF Patient Assessment Instrument (PAI).

What to Expect if You've Been Notified of an IRF Review

Claim audits are an important tool health plans use to control cost and ensure compliance with regulations and policies. When submitted claims are selected for IRF review, you will receive a medical record request letter regarding medical records relevant to the claims in question.

The medical record request will include:

- Additional information on the audit being performed
- List of medical record documentation needed in order to complete the audit
- A time frame explaining when the medical record must be received
- Instructions on the best way to submit medical record documentation to HMS

The medical record request letter you receive will also include contact information for our Provider Relations team, who are ready to answer any questions and help with the audit process.

After the requested medical records are received, an experienced team of coders, nurses or physicians will perform an in-depth review of the submitted documentation. The type of audit HMS conducts on any group of claims can vary and is determined by the criteria set by the health plan.

Based on our findings, a determination is made, and a notice is mailed informing you of the results. If the notice is for an overpayment, we'll provide the claim information and the rationale for the determination. It's possible you may disagree with the audit findings and rationale. Detailed instructions for appealing the determination are included.

Contact HMS today for additional questions regarding our Clinical Claims Review process or if you have questions regarding a request for medical records you received.

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