

THE LIVANTA CLAIMS REVIEW ADVISOR



A monthly publication to raise awareness, share findings, and provide guidance about Livanta's Claim Review Services

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Short Stay Review (SSR) – Decreasing Medicare's Paid Claims Error Rate

The contract for Medicare claim review services instructs the BFCC-QIO to work toward decreasing Medicare's paid claims error rate and addressing medical review-related coverage, coding, and billing errors in support of the strategic goal of Beneficiary Oversight, which encompasses protecting the Medicare Trust Fund.

The Improper Payment Reduction Strategy (IPRS) developed by Livanta is used as a tool to accomplish these objectives. The IPRS outlines Livanta's strategy to sample claims for higher-weighted diagnosis related group (HWDRG) reviews. Livanta updates the IPRS annually and incorporates empirical findings from the HWDRG reviews finalized during the previous year.

BFCC-QIO Authority to Conduct Claim Review

"The BFCC-QIO shall conduct 'Short Stay Reviews' per 42 CFR 412.3, 42 CFR 405.980, and Hospital Outpatient Regulations and Notices (OPPS) and inpatient prospective payment system (IPPS) rules including annual updates, revisions and amendments as published in the Federal Register. These reviews should be conducted on a sample of Medicare post-payment Part A claims for appropriateness of inpatient admission under the Agency's Two Midnight Rule for acute care inpatient hospitals, long-term care hospitals, and inpatient psychiatric facilities."

Livanta devised a flexible approach to sampling that could accommodate monthly fluctuations in SSR claim volumes for potential selection and review, as outlined in Livanta's IPRS. This approach aims to review short-stay claims in a manner that is more likely to uncover errors than a purely random sample, while still being able to reconstruct justifiable regional and national improper payment amounts for all paid SSR claims. The second goal of claims review is to identify hospitals with high SSR error rates, educate hospital physicians and appropriate staff, and, if they are persistently non-compliant, refer

SSR Sampling Strategy and Claims Weighting

Livanta's recently updated IPRS was informed by completed short-stay reviews. The prior years of completed reviews provide actual data to support evidence-based sampling. This approach applies the use of historical data to identify (1) diagnosis-related groups (DRGs) most likely to be paid in error and (2) providers with high denial rates. The details of the methodology are described below.

Sampling Prioritization Scores

Sample prioritization scoring is a statistical process in which individual components of short stay claims are weighted. The resulting weights are grouped into sampling strata based on their estimated relative risk of improper payment. Higher priority strata are sampled at higher rates than lower priority strata. The ongoing review outcomes inform subsequent weighting and strata assignment.

Livanta's flexible approach involves a compensatory prioritization system for targeted sampling. This strategy consists of three components: (1) volume-growth by CMS Certification Number (CCN); (2) clinical risk; and (3) length of stay (LOS). Livanta's updated IPRS retains the compensatory prioritization system for selecting SSR claims likely to be in error, as shown in Table 1 below.

Table 1: SSR Compensatory Score

Component	Score = 1	Score = 2	Score = 3
Volume - Growth by CCN	Low Volume/Growth	Medium Volume/Growth	High Volume/Growth
Clinical Risk	Low Risk by DRG	Medium Risk by DRG	High Risk by DRG
Length of Stay	Low Risk by LOS	Medium Risk by LOS	High Risk by LOS

Sampling Components

- Volume-Growth by CCN: Hospitals submitting the highest number of inpatient short stay claims and hospitals with the highest volume growth of short stay claims are prioritized.
- Clinical Risk: Analysis of the diagnosis related groups (DRGs) most often denied informs this category for ranking the DRGs as high, medium, or low risk of improper payment.
- Length of Stay: This risk component is informed by an analysis of length of stay (LOS) using both the inpatient admission date as well as the from date on the claim.

Sample and Extrapolation Adjustments

Unless the total listing of eligible claims (the population) is sufficiently large, there will be times when the allocated number of claims for each stratum will not be met by the number

of claims that are eligible for sampling from the designated strata. Under those conditions, the additional claims are selected from the higher priority strata, in concert with the stated goals of the IPRS.

Individualized Hospital Results

When a hospital has had at least 30 claims sampled and reviewed over a rolling 3-month period, those claims are aggregated to form a hospital-specific report, which is then sent to the hospital. The report summarizes information the hospital has already received during the course of the monthly claims review process and includes identified areas for educational intervention where findings warrant.

The process of accruing monthly review results over time allows for identification of hospitals with higher error rates. Livanta selects targeted 30-claim provider samples each month to trend hospitals' performance and tailor education, in line with CMS priorities for hospital education.

Livanta aggregates individual provider results and assesses educational opportunities at the provider level. Provider samples are analyzed, and one-on-one education is scheduled with a Livanta Medical Director and SSR Educator if a high error rate is noted.

About Livanta

Livanta is the Medicare Beneficiary and Family Centered Care-Quality Improvement Organization (BFCC-QIO) conducting post-pay fee-for-service claim reviews of acute care inpatient hospitals, long-term acute care hospitals, and inpatient psychiatric facilities to determine the appropriateness of Part A payment for short stay inpatient hospital claims. These claims are reviewed in accordance with the Two-Midnight Rule published in FY 2014 Hospital Inpatient Prospective Payment System (IPPS) Final Rule CMS-1599-F, as revised by CMS-1633-F.

Questions?

Should you have questions, please email ClaimReview@Livanta.com, or visit the claim review website for more information:

<https://www.livantaqio.cms.gov/en/ClaimReview/index.html>

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