

# ZPIC audits

*Be proactive, be prepared*

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## *About the ZPIC audit process*

Skilled nursing facilities continue to receive ZPIC visits to initiate the audit process. To date, there is no formalized publically available tracking; however, it is known that the overall number indicates many more could be included in this process. As a reminder, ZPIC has oversight of Medicare A and Part B, Hospice, Home Health and Durable Medical Equipment (DME). A ZPIC audit is different than a RAC and MAC whose primary goal is to review payments. The primary goal of a ZPIC audit is to identify fraud, and while this makes ZPIC audits more serious than most, bear in mind that these audits are selected based on their perception of a sample data analysis. A ZPIC audit may be performed as the result of other audits, and after a ZPIC audit, a MAC or RAC may be referred. There are three primary reasons for conducting a ZPIC audit: 1) analysis of rates - significantly high utilization of Ultra High resource utilization group (RUG), 2) whistleblower complaints, and/or 3) results of other audits.

## *Medicare definition of abuse*

CMS defines Medicare Abuse as behaviors or practices of providers, physicians or suppliers of services and equipment that, although normally not considered fraudulent, are inconsistent with accepted sound medical, business or fiscal practices. The practices may, directly or indirectly, result in unnecessary costs to CMS, improper payment or payment for services that fail to meet professionally recognized standards of care and/or which are medically unnecessary. Some provider "errors" fall within the CMS definition of Abuse. As such, financial penalties may expose the provider to fraud claims. Some examples of Medicare fraud might include using another person's Medicare card/number, billing for services or supplies that

were not provided, changing claims to obtain higher payments, soliciting payment for referral of clients, etc.

## *ZPIC authority and outcomes*

In my experience, our profession is honest, and it's unlikely that providers would intentionally violate Medicare guidelines for financial gain. However, some violations or abuse are based on facility error which is included in the definition above. The scope of the ZPIC authority is quite broad, from on-site interviews of staff and/or residents, review of all internal records that are required under the Medicare/Medicaid contract, resident clinical and financial records, time production records, referral of another governmental agency (e.g., OIG, DOJ, AG, etc.) and/or referral to another audit (e.g., MAC, RAC, etc.). As such, ZPIC audits may have devastating results. This could include payment recoupment, including extrapolation from a sample analysis, referral for criminal prosecution, decertification from programs, professional board referral for non-compliance of practice acts, etc. Therefore, it is critical that facilities be proactive and prepared.

## *Being proactive is key*

Being proactive means asking yourself what you can do to be ready. For example, look at your internal compliance program to evaluate how you inspect what you expect. Include setting projected assessment reference dates (ARDs) based on the resident's individual clinical status and the results of their assessments and evaluations (not on a set facility practice); conduct a daily reimbursable minute review (RTM) to ensure no change of therapy (COT) is required; and conduct weekly pre-billing triple check reviews (with representatives from billing, rehab and nursing/medical records) to follow up on any concerns or misplaced items

necessary for the claim. Remember, once the resident is no longer using their Medicare A benefit and their final PPS MDS has been submitted and accepted, should a mistake be found later, that resident's MDS cannot be modified per MDS 3.0 guidelines. Therefore, best practices usually include an end-of-the-month pre-billing (quad check) to ensure any misplaced items were found and supportive of the MDS. Being proactive takes knowledge, time, planning and commitment, but it is critical. Administrators should remember it is their responsibility to ensure that the facility is compliant, and as noted, professionals can be referred to their professional boards for discipline.

## *Summary*

While ZPIC audits have great risks, you can mitigate them by being proactive, regularly inspecting what you expect, being diligent in compliance programs and performing internal audits and evaluations. Because of ZPIC's broad scope, audit defense needs to involve your legal and accounting experts in addition to your clinical risk management team. As such, being proactive means seeking legal and accounting, as well as clinical risk management advice before you find a ZPIC team at your door.

*Robin Bleier is the FHCA RAI-MDSPPS Certificate Program Instructor. The next program is in Ft. Lauderdale February 6-8, 2013, and includes up to 18 CEUs for NHAs/Nurses and optional certificate examination. Robin and the Associates at RB Health Partners, Inc. are also available through a strategic alliance with Moore Stephens Lovelace, PA. Contact Robin via email at [robin@mslcpa.com](mailto:robin@mslcpa.com) or call 727.744.2021.*