

COMPLIANCE EFFECTIVENESS PILOT PROJECT

FACT SHEET

Background

A priority of the CMS Administration is identifying metrics to measure compliance effectiveness and developing incentives to offer providers deemed to have an effective compliance program. In order to further this objective, a pilot project is being launched with the goal of better assessing those factors that make a compliance program “effective.” The end goal of the pilot is to develop best practices. In addition, CMS will also examine how these best practices may be applicable to other health care providers.

Requirements for Participation

The pilot will focus on hospitals, specifically acute-care hospitals and academic medical centers with 100 beds or more that already have a compliance program in place. In addition, the hospital’s inpatient revenues should account for at least 30% of total revenue and the Medicare billings must account for at least 25% of total revenue. Geographically these hospitals will be located in the states which comprise CMS’ Regions I, II and III (MD, VA, WV, PA, CT, RI, NH, MA, NY, NJ, DE, VT, ME and including the District of Columbia). The goal is to encourage as broad a range of hospital participants as possible (rural, urban, advanced compliance program, basic compliance program) to provide more valid results.

Scope of Project

Current project parameters call for baseline site visits to be conducted at each of the pilot project participants in order to ascertain the scope of that provider’s compliance program. A list of indicators (developed and approved by a CMS workgroup comprised of government and industry participants) will be used during the site visits to come up with a quantifiable measure of the provider’s effectiveness. These indicators will primarily focus on the auditing and monitoring, education and training, and corrective action aspects of a provider’s compliance program. There will be two site visits: one at the beginning of the pilot project and another at the conclusion of the project. During the site visit period and the length of the provider’s participation in the pilot there will be CMS staff to answer questions and provide feedback to the provider on best practices identified through the site visits. The length of the project is intended to be 18 months.

The project also includes an outcome measures component whereby information about a provider’s claims rejection rate, overall error rate and other relevant information would be obtained from the contractors. All of the information to be analyzed is already collected by the contractors on the providers so it will not entail an additional level of scrutiny or review for providers participating in the project. This data will be compared with the results of the on site review of the structure and process component of the compliance program to see if any correlation could be identified (i.e., a more developed and in depth compliance program leads to fewer claims rejected and a lower overall error rate).

Solicitation of Participants

The deadline for providers to indicate their interest in participating will be June 25 and the pilot will begin approximately two months afterwards. The initial site visits will begin about a month after providers are notified of their selection to participate in the project.

Incentives

Several associations have agreed to issue a survey asking providers which of the identified incentives (appeals expedition, enhanced claims data, increased interaction with contractors) would have the most impact on a provider implementing additional compliance measures. This is a purely voluntary instrument designed to help CMS target which of these incentives would most appeal to providers. Since the measures that define effectiveness need to be established before incentives can be offered, the pilot will provide an opportunity for CMS and the provider community to develop incentives which are mutually agreeable. One possible incentive identified by the work group is the use of enhanced claims data. This would be a report card type option which would allow providers to receive detailed information from the contractor identifying how that provider is doing on a wide variety of areas tracked by the contractor. This is information typically not compiled in one place and would serve as a roadmap for the provider's compliance program to see where possible problems are occurring.