

Review Choice Demonstration to Resume on Home Health Care Agencies

By Lesley R. Arca

Effective August 3, 2020, the Centers for Medicare & Medicaid (“CMS”) will resume Home Health Review Choice Demonstration (“RCD”) on home healthcare agencies located in Illinois, Ohio, Texas, North Carolina, and Florida. CMS originally suspended RCD for these states since March 31, 2020 due to the COVID-19 pandemic public health emergency. During the suspension, CMS’s contractor Palmetto GBA continued to review pre-claim review requests that agencies submitted, but paused post-payment reviews.

Background on RCD

RCD is a CMS compliance program to review claims submitted by home healthcare agencies for signs of fraud or abuse and use the review to improve and educate home health agencies on their compliance with Medicare program requirements.

Agencies initially participating in RCD are required to select whether claims should be subject to Palmetto GBA’s:

1. Pre-Claim Review that seeks provisional affirmation of claim coverage *before* the agency submits a final claim for payment;
2. Post-Payment Review of submitted claims; or
3. Minimal Post-Payment Review where all claims are subject to a 25% reduction in final payment.

Every six months thereafter, agencies must again select how Palmetto GBA should review their claims.

Agencies with less than 90% pre-claim review affirmation rate or post-payment review approval rate must choose among Options 1-3.

An agency with a 90% or greater pre-claim review affirmation rate or post-payment review approval rate have the opportunity to select review options:

1. Pre-Claim Review,
4. Selective Post-Payment Review that involves analyzing a random sample of claims, or
5. Spot Check Review.

However, if the agency falls below this 90% threshold, under Options 1 and 5, the agency will need to select to have their claims reviewed under Options 1-3.

At any time, an agency that selects Option 3: Minimal Post-Payment Review is locked into this choice for the duration of RCD.

What Resumption of RCD Means for Home Healthcare Agencies

Effective August 3, 2020, Palmetto GBA will audit post-payment review claims submitted and paid since March 29, 2020.

From August 3, 2020 to August 17, 2020, Florida and North Carolina agencies will be required to make their initial selection among Options 1-3: Pre-Claim Review, Post-Payment Review or Minimal Post-Payment Review.

For the billing period starting August 31, 2020, claims submitted by agencies in Illinois, Ohio, Texas, North Carolina, and Florida will be subject to the review requirements under the review choice that they previously selected.

With the resumption of RCD, agencies should anticipate receiving notices of overpayments from CMS that have strict deadlines for appeal and may involve CMS working to recoup paid claims. Roetzel's health care attorneys continue to help agencies with these appeals and other legal needs to stay open and compliant during the COVID-19 pandemic. Please contact a Roetzel attorney below for more information on how we can assist you.

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