Responding to Risk Adjustment Audit Records Requests

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There are many different types of audits that any particular practice may be subjected to in the process of doing business with any third-party payor. Typically, audits are performed to ensure that the provider(s) is compliant with the various coding and billing guidelines that company may have in place. However, there is one type of audit that is different. The Medicare Advantage Risk Adjustment Data Validation (RADV) audits are the main way that Centers for Medicare and Medicaid Services CMS has to ensure that proper payment amounts are being made to Medicare Advantage Organizations (MAO) or Medicare Part C plans, if you will. The majority of any type of auditing processes were suspended during the COVID-10 Public Health Emergency but most have been resumed including these RADV audits. Each MAO is responsible for ensuring their compliance with all the rules put in place which look at all the diagnosis codes applicable to any particular patient so that the MOA may accurately report the information to CMS for MAO reimbursement. Keep in mind that each plan and CMS are trying to determine all of the diagnoses pertaining to any particular individual in order to assess whether the patient is low risk or high risk in terms of cost which can lead to a plan (not the provider) being paid extra for caring for that patient type.

CMS issued a final rule on RADV audits in February 2023 which is expected to result in the expanded the frequency of claims audits as well as the potential for MOA and value-based provider liability. In this new rule, CMS can look back to payment year 2018 forward and recover extrapolated overpayments from plans for that time period. Plans could, in turn, recoup any overpayments to their value-based providers. There are two types of RADV audits – an annual national level audit meant to estimate the improper payment rates to MAO and the contract-level audits meant to identify and recover any improper payments that have been made to the MOA. If an MOA is convicted under the False Claims Act, they could be required to pay up to three times any overpayment amount and another $11,000 per violation and even be barred from participating in any government healthcare programs in the future. In April 2024, CMS issued a refinement to the RADV process to include Account Care plans (HHS-ACA RADV) for any plan participating in the Federal Market place and is eligible for extra payments based on their enrollment of less healthy members. CMS estimates that the total recovery from RADV audits will be close to $4.7 Billion between 2023 and 2032.

Needless to say, the stakes are high for the MOAs and ACA plans. While Optometrists are not valued-based providers and not subjected to any recoupment liability from these plans, the difficulty faced by ODs is the large numbers of charts required by an MOA for the RADV audit. The number of charts per request has been reported to range for 20-30 up to 1000 or more. Provider should release everything in the patient medical record pertaining to that patient's care Optometrist MUST comply with these requests however, there are a few suggestions to make this more palatable.

1. Ensure that the record request is indeed due to the RADV audit process and will often come from a contracted company and not the insurance provider themselves.
2. Contact the auditing entity and request a reduction in the number of charts requested and or extension of the response time frame.
3. Most often provider can request, in writing, to be paid a specific amount of money for each record request. Providers often have to ask and insist they will comply in exchange for the record request payment (assuming your plan contract or state regulations do not prohibit this request). Do not release the records until payment is received and then respond quickly.
4. If available, a provider could request the company send someone to your office to gather and copy the records OR allow the company limited electronic access to your electronic health records so they can download the requested records themselves.

CMS did create a checklist to aid the health plans in identify if any particular record is suitable for a RADV audit. Reviewing this check list may facilitate understanding of this process. In summary, risk adjustment scores in healthcare allow plans to estimate how much an individual patient will cost over the next year and for CMS to pay more to plans who insure patients with higher and/or additional needs. CMS seeks to avoid lower payments for sicker patients and prevent overcompensating plans for covering healthier patients. Happy Coding….

AOA Resource: https://www.aoa.org/AOA/Documents/Practice%20Management/AOA%20MORE/Risk%20Adjustment%20Audits.pdf