



March 22, 2016

Barry S. Cargill, Executive Director  
Michigan Association for Home Care  
2140 University Park Drive, Suite 220  
Okemos, Michigan 48864



RE: BCBSM SCIO Home Health Post Payment Audits

Dear Mr. Cargill:

Your letter of February 15, 2016 directed to Mr. Loepp was forwarded to me for review and response.

The Centers for Medicare and Medicaid Services, Blue Cross Blue Shield of Michigan (BCBSM) and its employer group customers have a long history of auditing providers of all types to ensure compliance with Medicare program and BCBSM Medicare Plus Blue PPO requirements. BCBSM Medicare Plus Blue PPO has been auditing other providers, mostly hospitals, physicians and pharmacies since 2010. As a point of reference, BCBSM has audited a small volume of home health agencies for our commercial products each year for more than 20 years. In this particular context, the scope of the BCBSM audit is limited in nature and consistent with industry expectations.

BCBSM makes available to its provider community a variety of tools to assist the provider in determining its obligations and expectations when participating with Medicare Plus Blue PPO. These tools include the participating provider agreement, the online 'webDENIS' portal and the monthly publication *The Record*. Through webDENIS, BCBSM makes the Medicare Plus Blue PPO provider manual available for review by any provider. The provider manual contains BCBSM's reimbursement policies and procedures. *The Record* (current and historical copies of which are made available to all providers through webDENIS), is another useful resource and provides regular updates to BCBSM policies. By virtue of the participating provider agreement, each provider is obligated to read, understand and follow the terms and conditions of participation in the Medicare Plus Blue PPO program.

Pat Wilson's staff worked collaboratively with many home health agencies to help them understand each agency's deficiencies with regard to BCBSM-specified billing and documentation requirements. As an example, several agencies were using a biller who was not submitting diagnosis codes correctly. SCIO, BCBSM's audit vendor, identified the problem and helped to correct it. Other agencies were not printing the complete medical record for SCIO review, which generated audit findings. Impacted agencies are now working with their electronic health record vendors to remediate printing problems and meet documentation and billing guidelines.

BCBSM has demonstrated that it is sensitive to the feedback provided by home health agencies throughout this first round of audits. In some instances we decreased the volume of charts to be

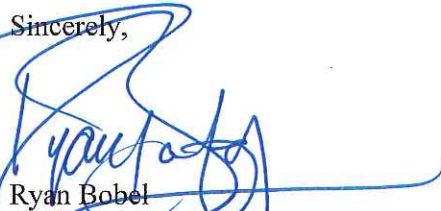
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reviewed, overturned misunderstood findings and delayed audits at the request of the provider. We trust that this interaction has been helpful and viewed favorably by our providers. Going forward, and as a natural result of this first round of audits, we anticipate that future audits will demonstrate a higher degree of compliance with BCBSM policies.

If you have any additional questions or concerns, please do not hesitate to call or email me.

Sincerely,



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cc: Jeff Rumley  
Tim Cook  
Pat Wilson