

WHITEPAPER

esMD 2.0

**Best Practices in Audit Response Management
by Leveraging Full Cycle esMD**

March 2020

SUMMARY

Review Contractors issue an estimated **2 million requests** each year to healthcare providers for medical documentation and records, according to the Centers for Medicare & Medicaid Services (CMS). Most often, these requests are fulfilled through manual processes--requiring the Review Contractor to mail the request for documents, and the provider to print out medical records, compile documentation and submit back to the contractor by mail or fax. This process can be expensive, cumbersome and risks human error at each step.

A project developed by CMS called the Electronic Submission of Medical Documentation (esMD) provides an automated mechanism for managing the claims request and submission process through secure electronic communication between contractors and providers. The esMD program allows providers who either are or contract with Health Information Handlers (HIHs) to receive document requests and submit required medical records and associated documentation electronically during the claims review process. Discussion Letters, as well as Level 1 and Level 2 Appeals, can also be submitted electronically.

Phase 1 of the esMD program launched in September 2011, enabling providers to respond to Additional Documentation Request (ADR) letters and contractors to receive the requested medical documentation electronically. Phase 2 of the esMD program first went live through a pilot in January 2017, debuting new features that enable bidirectional communication between providers and review contractors. This phase will be fully live in March 2020. Bluemark refers to the combined Phase 1 and Phase 2 process as “Full Cycle” esMD.

The esMD program can reduce the overall time for response activities by several days and provides tremendous value to the provider community through:

- Overall process efficiencies
- Improved accuracy
- Reduced administrative burdens
- Significantly expedited claims review process

With Full Cycle esMD, providers can further strengthen their overall audit management processes by creating a nearly complete automated process that delivers significant value.



Provider Participation in esMD

Using esMD is not mandatory for providers, but the potential efficiencies have attracted tens of thousands of Medicare providers to the program and driven exponential growth in participation. According to the latest statistics released by CMS in the esMD 2018 Annual Report (Fiscal Year 2017):

- Over 60,000 Medicare providers have participated in the program.
- More than 2.5 million Medical Records were transmitted through the esMD program from September 2011 through September 30, 2017.
- Over 61,000 Prior Authorization Requests and over 108,000 Prior Authorization Decision/Notifications have been submitted through the program to date.

There has been significant year-over-year growth in the program, and what is most notable is that much of this growth took place during a time when many providers were enjoying some relief from the RAC audit process due to the program’s hiatus. In hindsight, this proved to be an ideal time for providers to transition to this new electronic submission process.

Key Features of esMD

Since the launch of Phase 1, the esMD program has consistently expanded to include new features and functionality. The program started with the electronic submission of medical records and documentation to respond to auditor requests. In January 2017, CMS began piloting Phase 2 of the program, introducing new electronic communication features that further streamline the claims review process. Going live in March 2020, these new features allow review contractors to send electronic documentation requests (eMDRs) and other forms of communication to providers, establishing the structure for an almost completely automated audit response process.

Including the Phase 2 features, which are scheduled to be rolled out in stages, electronic transmissions available will include the following:



Phase 1: To Review Contractors

- Responses to Documentation Request Letters in PDF
- Discussion Requests
- Level 1 and Level 2 Appeal Submissions
- Power Mobility Device (PMD) Prior Authorization Requests in PDF
- Advance Determination of Medicare Coverage
- Prior authorization request for ambulance in PDF
- Prior authorization request for HBO in PDF
- Prior authorization request in X12 278
- Structured Orders, Progress Notes
- Structured esMD Phase 2 Registration



Phase 2: To Providers

- Structured Outbound Documentation Requests, eMDRs (First Quarter 2020)
- Review Results Letters (Second Quarter 2020)
- Demand Letters (coming soon)
- Power Mobility Device (PMD) Prior Authorization Responses
- Prior authorization responses

Upon the initial launch of these new Phase 2 features, review contractors will still be required to send providers paper copies of all correspondence for a period of time to ensure a smooth transition. Upon the full launch of Phase 2, providers and review contractors using esMD will be equipped to complete nearly all correspondence electronically.

It's clear CMS has invested a significant amount of time and energy into the esMD program, and their goal is to continue to increase provider utilization of this capability. They have outlined several initiatives with both Health Information Handlers and the broader provider community, including:

- Outreach and education regarding the benefits of the esMD program
- Requests for feedback on the impending new functionality
- Ideas for future enhancements
- Suggestions for ways to recognize and encourage high performing organizations

Given this activity it appears esMD will soon become the standard for audit initiation and response.

Benefits of esMD

Eliminating traditional methods of document receipt and submission dramatically shortens the time it takes to respond to audit requests, which can lead to faster decisions by auditors, accelerated appeals and faster payment adjustments.

Simplified Audit Response Initiation

To best understand the impact provided by the new Phase 2 functionality, the eMDR transaction, let's start out by reviewing today's typical process for the provider. The details of this part of the process can differ from provider to provider. Here we are outlining only the steps an ADR will go through to begin the audit response process.

- 1** Audit is initiated by the contractor, and the audit document request letter is mailed to the provider.
- 2** ADR Letter navigates through the U.S. Postal Service and gets to the providers facility in two to three business days.
- 3** The ADR letter moves through an internal mail process to reach the appropriate audit management resource.
- 4** Staff reads letter and accesses the audit tracking tool or spreadsheet to initiate the response process.
- 5** ADR Letter is scanned into tracking tool or saved electronically.
- 6** Data elements for requested claims are entered into tracking tool or spreadsheet.

These six steps require many touch points among various departments. Also keep in mind we are simply laying out the steps and time required just to start the response process. We have performed case studies and analyzed data from our customers and have some interesting data about this process.

Manual ADR Administrative Statistics

 **3 DAYS**

Average days to receipt: average time between the date on an ADR letter and receipt by resource.

 **5 DAYS**


Average days to work: average time between the date on an ADR letter and completed data entry in tracking system

 **10 MINUTES**

Time spent on scanning: amount of time spent scanning and filing a paper ADR letter

 **15 MINUTES**

Time spent on data entry: amount of time spent data entering claim information from an ADR letter.

 **4.3 CLAIMS**

Average # of claims per ADR: average number of requested claims per ADR letter across all Medicare FFS contractors.

Phase 2 of esMD will significantly improve the amount of labor and time providers invest in managing this process. The electronic receipt and notification of the eMDR requests has two components that will vastly improve the manual process

- 1 Receipt of ADR letters from auditors will be electronic as opposed to a manual letter sent via mail.
- 2 With a sophisticated audit management solution, data elements and the actual ADR letter automatically arrive in your tracking system with little intervention.

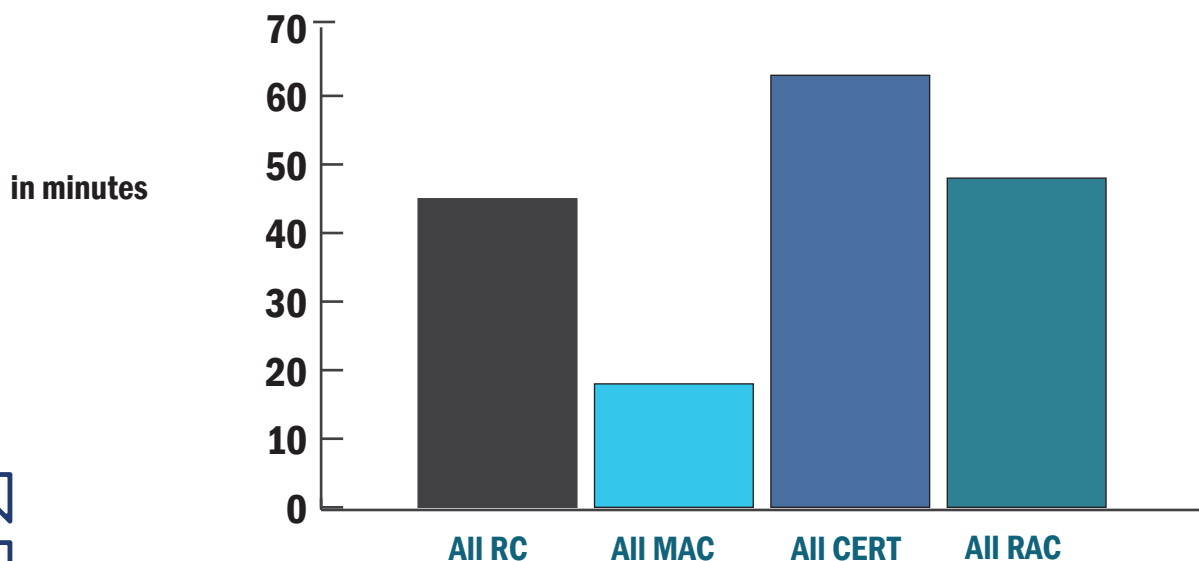
When you compare the current process with the anticipated new process, you will see the amount of administrative time and effort required will be significantly reduced. Through the use of eMDR, the time between ADR letter generation and days to initiate the response will be reduced to essentially zero. This savings is meaningful, as the numbers shown in the manual process illustrate that typically up to 5 days are lost prior to the start of the response process. When dealing with time-sensitive deadlines, this loss of time can be significant.

The reduction of time spent on manual data entry is another key area of improvement. With electronic transmission of the data and the ADR letter, the audit management initiation process changes from a heavy data entry process to a much lighter read and review process. The time savings here is extensive, with the new process likely taking less than 20 percent of the time i the manual process takes.

An added benefit of eMDR is data confidence. Your tracking system will be loaded with data directly from the contractor and/or CMS with little to no user data-entry, making data entry mistakes and error-prone reports a thing of the past.

Turnaround Time. With esMD, providers receive eMDR transactions in near real-time which allows the response process to start immediately. Record submission back to the Review Contractor are expedited significantly. The expanded focus of pre-pay reviews benefit significantly and provide the quickest path to payment. In fact, providers have reported that payment turnaround when using esMD is six days as opposed to the paper process which is approximately three weeks.

Recovery Contractor Turnaround (2019)

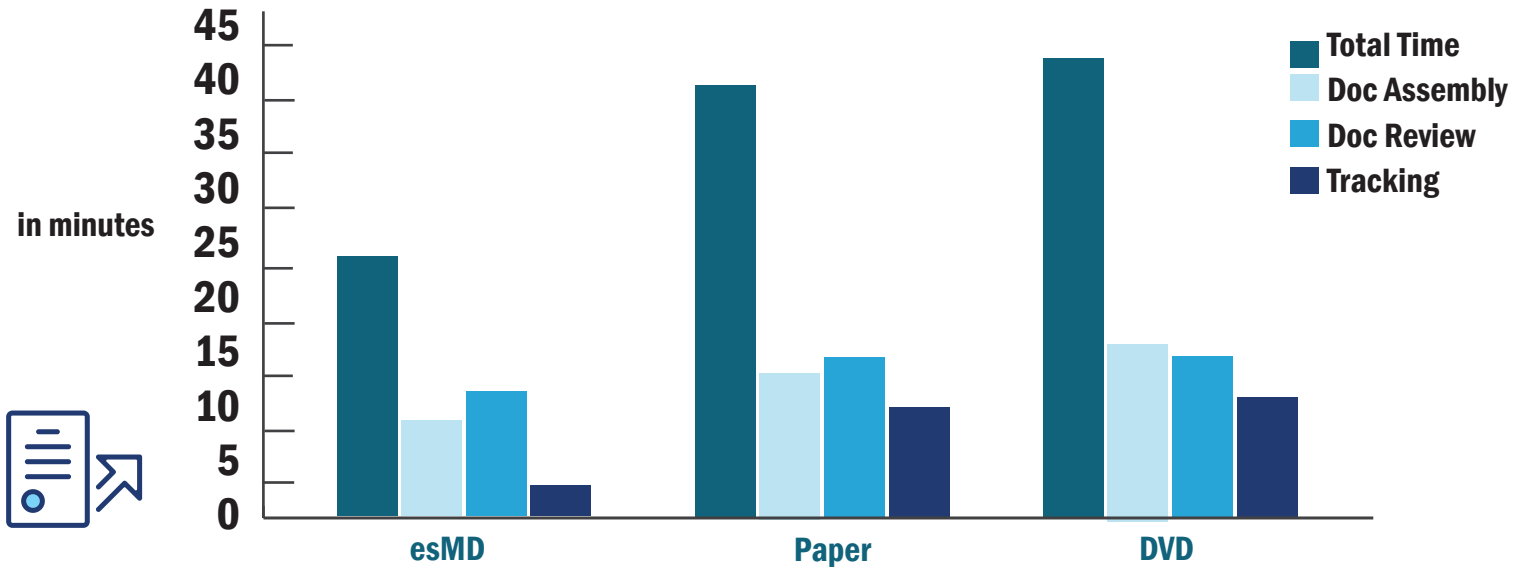


As a certified HIH, Bluemark has seen rapid adoption of esMD among clients. Based on its own internal data, Bluemark has seen an average turnaround time of 44 minutes.

More Efficient Document Submission Process

Current data show that for providers using esMD submissions, the national average between the time of documentation submission to the timestamp of Level 2 acknowledgement by the contractor is just under two hours.

Document Management esMD vs Traditional



Blinded national data acquired by Bluemark through its tracking system and customer polling

Reduced Labor Costs. esMD helps reduce the amount of labor required to fulfill document requests. Providers no longer have to manage the creation of requested claims within a tracking system or document and then print and mail paper, feed a fax machine or burn CDs. With electronic receipt and notification of new document requests, providers can focus on simply uploading the requested medical documentation and sending it directly to contractors with ease.

Reduced Hard Costs. esMD can reduce hard costs like printing, shipping materials, postage and other associated handling expenses.

Security. esMD complies with security regulations established by the eHealth Exchange, formerly known as the Nationwide Health Information Network (NHIN). These security regulations include standards, protocols, legal agreements, and specifications identified by a consortium of health information organizations as necessary for secure and private exchange of health information over the internet.

Peace of Mind. With esMD, the process allows for almost immediate feedback and issue notification.

Accessing esMD

Providers can gain access to the esMD gateway in one of two ways.

- 1 Some larger hospitals or health systems may opt to build their own connection to the esMD gateway. While this is possible, given the time and effort required, it is not the most commonly used approach.
- 2 Most providers choose to work with a certified Health Information Handler to access the esMD gateway allowing for easy adoption and implementation of the esMD program.

A Health Information Handler is any organization that is certified by CMS and handles sensitive health information on behalf of providers. You may also hear them referred to as Claim Clearinghouses, Release of Information vendors, Health Information Exchanges, or Electronic Health Record vendors. Providers often use HIHs to facilitate activities such as submitting claims or providing electronic health record systems.

In order to take advantage of Full Cycle esMD, providers must:

- Obtain access to the esMD gateway either directly or by contracting with a certified Health Information Handler.
- If they choose to partner with an HIH, they must complete the online registration process with the National Plan and Provider Enumeration System (NPPES).
- Confirm their claims review contractors will transmit document requests through eMDR and accept esMD response submissions.

Not all HIHs participated in the Phase 2 pilot of the esMD program, but those that did participate also received the added benefit of being in the first group experienced to fully utilize the functionality when the pilot concluded and the program was expanded nationally.

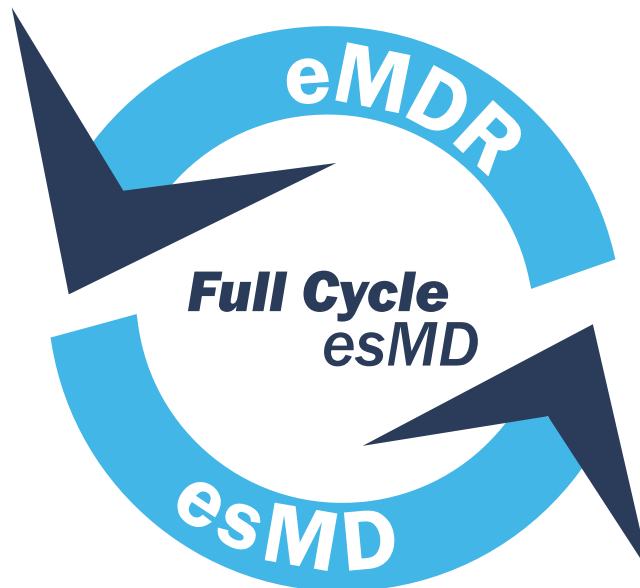
For a full list of HIHs that provide esMD gateway access, visit the CMS website.

Some HIHs are also now offering esMD gateway services, although only a few HIHs offer fully integrated technology solutions to support the esMD process.



HEALTHCARE PROVIDERS

Simplify the audit response process with lower cost and faster payment turnaround times.



RECOVERY CONTRACTORS

Medicare Administrative Contractors
 Medicare Recovery Auditors
 ZPICS, PERM, CERT, etc




Best Practices to Identify a Full Cycle Solution

Best practice is to implement a fully interfaced audit management solution with Full Cycle esMD. With esMD at the core of your solution, audit management activities—including tracking requests, submitting records and receiving/documenting responses—can become almost completely automated.

Selecting the right certified HIH to provide a strong foundation to drive this process is vital. Many do not offer full audit management solutions, focusing only on the release of information function. Thoroughly evaluating partners and solutions is critical to successfully implementing esMD within your organization. Ensuring efficiency, accuracy and security throughout this process is essential to success.

For providers who already have mature audit management solutions and processes in place, we recommend a robust stand-alone esMD solution to complement your approach and maximize audit response effectiveness. Technical Requirements to consider when evaluating audit management solutions:

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- Integration of applicable systems. Every system and vendor used in the audit-response process needs to be directly connected. Hospitals today need a solution that enables an integrated, streamlined approach; seamless data sharing; and automated workflows. Manual work that requires significant staff time continues to plague existing processes and oftentimes is the result of the audit software not “talking” to other systems.
 - Real-time appeal tracking. A system that can generate real-time, automated work lists for staff and calculate due dates at all levels of appeal.
 - Electronic document repository. A single location that can consolidate all the various pieces of correspondence and documentation is critical.
 - Financial reporting. Accurately reporting on denied dollars, including dollars at-risk versus dollars that have already been recouped from the facility, providing a clear view on the true impact of ongoing audits in real time.
 - A scalable solution. With organizational expansion becoming more commonplace, the ability to onboard new facilities to a consolidated audit management process is now a core requirement. Ensuring an easy and painless transition for the end-users is essential for success.

Keys to Evaluating Solutions

- Clearly identify all user requirements and validate against stated vendor deliverables.
- Require strong client references and speak to those references.
- Keep in mind the vendors or systems requiring interfaces.

Beyond the technical requirements of a solution, it's essential the vendor with which you choose to partner understands the complexity of the audit landscape and can facilitate the continued evolution of required processes. This means finding an expert vendor that has the ability to look ahead, identify potential impacts on the workflows, and proactively make appropriate system enhancements to continue to drive a seamless and efficient audit management process through esMD and beyond.

Success through esMD

Implementing a tool that will support your integration with esMD can help control costs while providing a fast, secure and transparent submission process. Selecting the right solution to complement your organization's processes and systems is paramount to successful audit management and response.

With the right support, providers can obtain access to the esMD gateway, start using the program—and begin realizing significant enhancements in their overall audit management processes.

Contact Us

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About Bluemark

Bluemark, LLC, is a specialized software and technology developer that provides expert solutions for healthcare professionals. Bluemark helps clients maximize reimbursement and achieve workflow efficiencies through the development of technology-based business process solutions for revenue cycle and HIM audit and compliance processes. Backed by a national footprint and strong industry relationships, Bluemark offers mature SAAS-based technology solutions that are time-tested, proven and positioned to evolve with the healthcare market's changing needs.