

Provider Audits and Self-Audits

Behavioral Treatment Audit Workgroup
May 22, 2025 | 10:00 – 11:30 a.m.

Introductions

Today's presentation is led by the following staff from the Office of the Inspector General (OIG) Clinical Program Integrity and Compliance Section (CPICS):

- Erica Schlicht, Assistant Inspector General
- Erin Anderson, Nurse Consultant
- Kimberly Bevers, Nurse Consultant
- Bill Golden, Nurse Consultant
- Allison Schulz, Nurse Consultant

Topics

- CPICS Background
- Overview on Audits and Self-Audits
- Post-Payment Audits
- Conducting Self-Audits
- Key Contacts and Information



CPICS Background

Helping ensure the integrity of DHS programs

CPICS Overview

- Serves as one of seven sections in OIG.
- Consists of two units of Registered Nurses who focus on the clinical activities of providers, including:
 - ◆ Conducting Medicaid post-payment audits through provider-focused teams.
 - ◆ Supporting provider investigation and enrollment review activities.
 - ◆ Providing program integrity-focused education and technical assistance.

CPICS Provider-Focused Teams

- OIG launched provider-focused teams in 2019 to:
 - ◆ Enhance program integrity through the development of provider-specific strategies.
 - ◆ Reduce or eliminate fraud, waste, and abuse.
- Our team oversees the following provider-focused teams:
 - ◆ Homecare
 - ◆ Primary Care and Specialty
 - ◆ Rehab/Restore
 - ◆ Mental Health and Substance Use



Overview on Audits and Self-Audits

Key information to support engagement

Purpose

Audits and self-audits are effective Medicaid program integrity tools for helping providers:

- Comply with rules and regulations.
- Identify overpayments.
- Decrease the potential for inappropriate claims.
- Prevent waste and abuse.

Audits vs. Self-Audits

The difference between audits and self-audits follows:

Audits

- Conducted by OIG to verify the actual provision of services or the appropriateness and accuracy of claims filed.

Self-Audits

- Conducted by providers to ensure documentation complies with program requirements and claims are properly paid.

Examples of Billing Concerns

Potential behavioral treatment billing concerns identified through audits and self-audits could include:

1. Lack of documentation to support claims.
2. Billing in excess of what documentation supports.
3. Billing for a higher-level clinician as rendering the service than what occurred.
4. Billing for missed treatment sessions.
5. Billing for a service that is different than what is documented in the treatment notes.

Provider Responsibilities

- Providers are responsible for the truthfulness, accuracy, timeliness, and completeness of claims under Wis. Admin. Code § [DHS 106.02\(9\)\(e\)](#).
- This includes preventing waste and abuse.



Preventing Medicaid Waste and Abuse

Audits and self-audits are effective tools for helping providers prevent waste and abuse, which happen when:

Waste

- Services or practices are overused and directly or indirectly result in unnecessary program costs.

Abuse

- Practices are inconsistent with sound fiscal, business, or medical practices and result in unnecessary program costs.

Recoupment Authority

- If providers are improperly reimbursed, OIG is authorized to recoup overpayments when:
 - ◆ The service was **not** provided.
 - ◆ The claim was **not** accurate.
 - ◆ The claim was **not** appropriate.
- Recoupment authority is codified in Wis. Stat. § [49.45\(3\)\(f\)](#) and Wis. Admin. Code DHS § [108.02\(9\)](#).



Other Mitigation Options

In addition, OIG may mitigate fraud, waste, and abuse discovered in audits and self-audits through:

- Education and technical assistance.
- Intermediate Sanctions under Wis. Admin. Code § [DHS 106.08](#).
- Termination from Medicaid under Wis. Admin. Code § [DHS 106.06](#).
- Referral to a partner agency for further investigation and possible prosecution.

Credible Allegations of Fraud Referrals

- Federal law requires OIG to refer all CAF to the Wisconsin Department of Justice (DOJ) Medicaid Fraud Control and Elder Abuse Unit (MFCEAU) in accordance with [42 CFR § 455.21](#).
- If the referral is accepted, OIG suspends Medicaid payments to the provider during the investigation, unless there is a good cause exception under [42 CFR § 455.23\(e\)](#).





Post-Payment Audits

What you need to know to be successful

Post-Payment Audit Focus

OIG uses post-payment audits to identify the following in provider claims:



Post-Payment Audit Process

- OIG identifies the audit scope, including the specific member claims to be reviewed and the date range of services.
- OIG mails a Records Request letter to the provider.
- The provider submits records to OIG within the allowed timeframe.
- OIG reviews records and issues a Preliminary Findings letter and report.

Post-Payment Audit Process

- The provider submits documentation to OIG to rebut any applicable findings.
- OIG reviews the rebuttal and amends findings as appropriate.
- OIG issues a Notice of Intent to Recover letter with appeal rights.
- If the provider appeals, OIG pauses the recoupment process until the fair hearing concludes.

Post-Payment Audit Process

- OIG establishes accounts receivable to collect overpayments.
- The provider submits payment.
- OIG completes provider education or other mitigation measures.

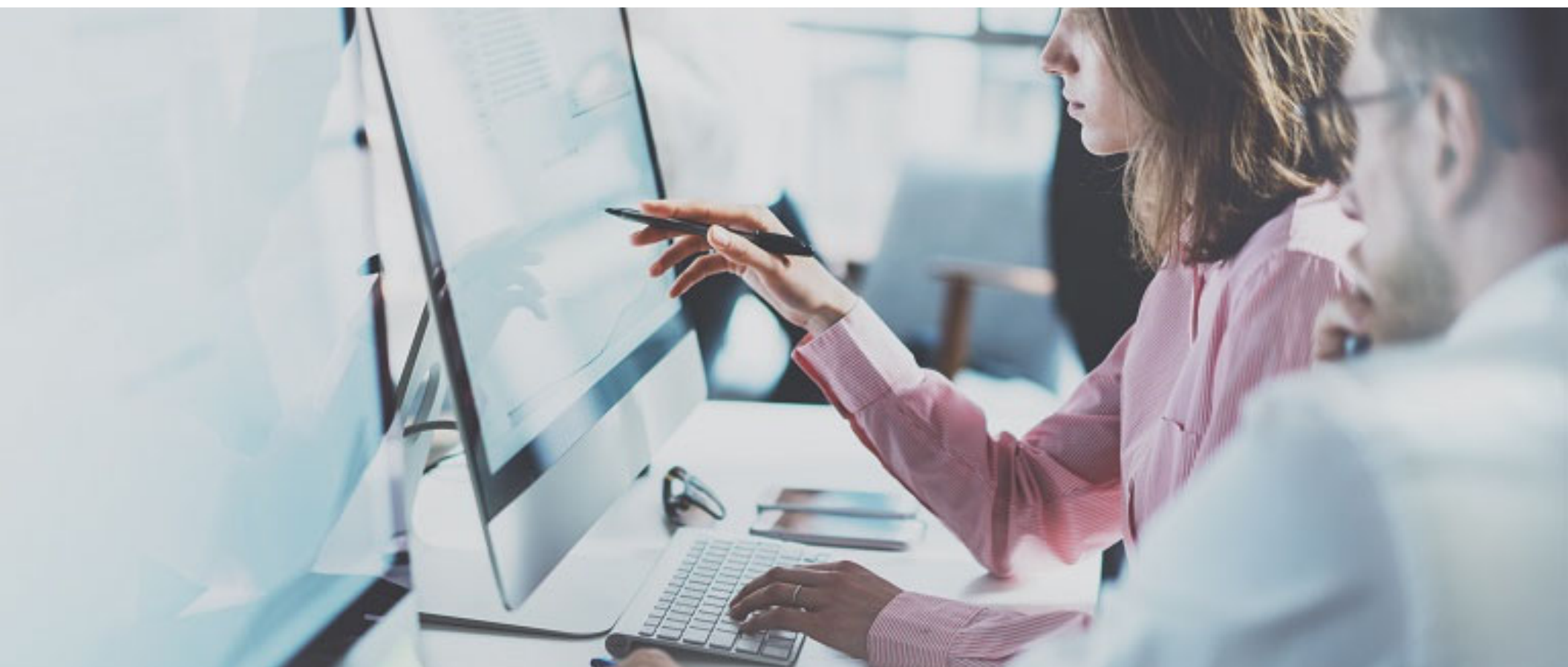


Post-Payment Audit Tips

- Be familiar and comply with all Medicaid rules and regulations.
- Contact the assigned auditor with questions.
- Be mindful of dates in letters for submitting initial and rebuttal documentation, as well as filing an appeal.
- Review preliminary audit findings and comments in a timely manner.

Post-Payment Audit Tips

- Review the final audit letter and report(s).
- Enclose a copy of the audit letter when returning overpayments from an audit.
- Make sure ForwardHealth has your current contact information.



Conducting Self-Audits

How to use this best practice to support compliance efforts

Self-Audit Overview

- Wisconsin Medicaid providers conduct self-audits to ensure claims comply with federal and state program rules and regulations.
- Providers initiate self-audits to identify the potential for inaccurate or inappropriate billing data and return overpayments.
- While certain states require providers to conduct routine self-audits, this best practice is voluntary and highly encouraged in Wisconsin.

Self-Audit Impact



- Thanks to Wisconsin Medicaid providers like you, over \$6 million has been voluntarily returned to DHS through self-audits since January 2016.

Self-Audit Benefits

In addition to helping reduce potential Medicaid waste and abuse, self-audits allow providers to:

- Proactively review claims.
- Identify and fix potential issues.
- Voluntarily return overpayments.
- Increase successful OIG audit outcomes.
- Develop and maintain operational controls.
- Improve member care.

Determining Self-Audit Needs

While providers should perform self-audits on a regular basis, out-of-cycle reviews may be necessary due to:

- Internal process changes.
- Policy and procedure code changes.
- Incorrect claim information.
- Billing changes, like sudden payment increases.
- Duplicate and other improper payments.
- Industry guidance and management requests.

Self-Audit Process

- Providers may choose their self-audit approach.
- Many options are available.
- OIG recommends providers use a consistent approach that includes these five basic steps:
 1. Conducting a risk assessment.
 2. Reviewing standards and practices.
 3. Auditing claims and procedures.
 4. Documenting the process.
 5. Taking action.

Step 1. Conduct a Risk Assessment

The first step in the self-audit process is to conduct a risk assessment, which enables providers to:

- Identify and score compliance issues and risks.
- Prioritize risks of greatest concern.
- Assess potential outcomes associated with risks.
- Select the self-audit scope or time range, standards and practices for review, and claims and procedures to audit.

Step 2. Review Standards and Practices

The second step in the self-audit process is to review standards and practices. This helps ensure internal processes lead to:

- Complete and accurate documentation.
- Compliance with Medicaid rules and regulations.
- Proper Medicaid billings and payments.

Step 2. Review Standards and Practices

Key program rules and regulations to examine include:

- Provider certification, rights, and responsibilities.
- Financial and medical records.
- Medical necessity.
- Claims submission.
- Coding guidance.
- Prior authorization.
- Other insurance billing and payments.

Step 3. Audit Claims and Procedures

Once the review is complete, providers are ready to start the third step and begin auditing. This includes confirming:

- Internal processes align with standards and practices.
- Services were appropriate and medically necessary.
- Accurate use of procedure codes, modifiers, diagnosis codes, place of service, and quantities.
- Private insurance was billed before Medicaid.
- Duplicate or improper payments did not occur.

Step 3. Audit Claims and Procedures

OIG recommends providers use these self-audit tips:

- Review claims with the greatest volume, value, or potential for errors.
- Confirm any identified issues in previous reviews were fixed.
- Check data integrity to ensure there are no blank fields, unreasonable values, edits, or duplicates.

Step 4. Document the Process

- OIG created the Provider Self-Audit Overpayment Report ([F-03263](#)), which is an optional form designed to help:
 - ◆ Providers document audit details, list affected claims, and return overpayments.
 - ◆ Ensure OIG receives the information staff need to conduct their review.
 - ◆ Prevent listed claims from being included in future audits.
- Be sure to complete all form fields or include all details in your preferred format, such as the internal control number (ICN) for each claim.

Step 5. Take Action

Refer to the Provider Self-Audit Overpayment Report ([F-03263](#)) for instructions on submitting results and returning overpayments. Remember to:

- Contact Provider Services for help at 800-947-9627.
- Email self-audit results to OIG at DHSOIGSelfAudit@dhs.wisconsin.gov.

Self-Audit Help

Not sure how to get started?

For assistance with planning or conducting your self-audit, please contact OIG at:

- **Phone:** 608-266-2521
- **Email:** dhsoigadmin@wisconsin.gov



State Self-Audit Resources

- Module 4: Wisconsin Medicaid Self-Audit Tips for Providers [training video](#) under Forward Health Portal [Trainings](#) page
- Provider Self-Audit Overpayment Report ([F-03263](#))
- Preventing Medicaid Waste Provider Self-Audits ([P-02790](#))
- OIG's [website](#)

Federal Self-Audit Resources

- U.S. Department of Health and Human Services – Office of Inspector General Self-Disclosure Information [webpage](#)
- Centers for Medicare and Medicaid Services:
 - ◆ [Self-Audit Snapshot E-Bulletin](#)
 - ◆ [Sanctions for Provider Misconduct Fact Sheet](#)

Self-Audit Tips

- Make sure ForwardHealth has your current contact information.
- Return overpayments within 30 days as required.
- Include a copy of your self-audit results when sending a check for overpayments to the Cash Unit.
- Sign-up for email subscriptions to get the latest ForwardHealth information delivered to your inbox.



Key Contacts and Information

Connecting providers to supportive resources

ForwardHealth Resources

- ForwardHealth Portal Behavioral Treatment Benefit [Handbook](#)
- ForwardHealth Portal [Updates](#)
- ForwardHealth Portal Behavioral Treatment Specialty Billing [Codes](#)
- ForwardHealth Portal [User Guides](#)
- ForwardHealth Portal [E-mail Subscription Sign-up](#)
- ForwardHealth Portal [Trainings](#) page, including OIG's PIR and fraud, waste, and abuse trainings
- ForwardHealth Portal [OIG Post-Payment Review](#) page

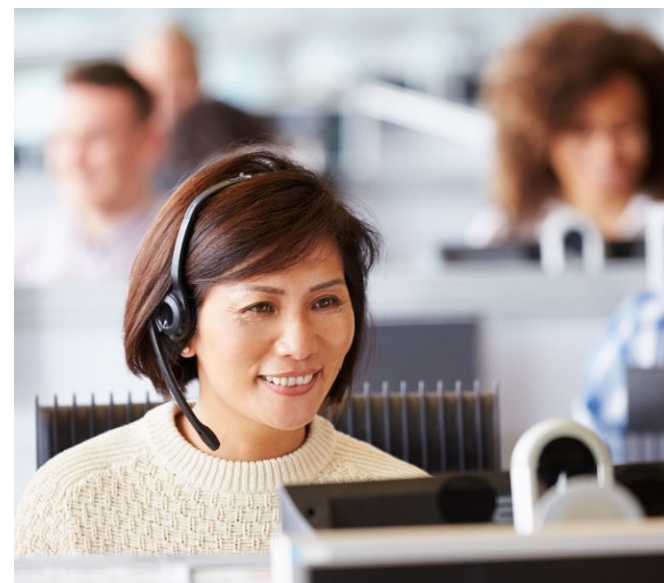
Fraud, Waste, and Abuse Trainings



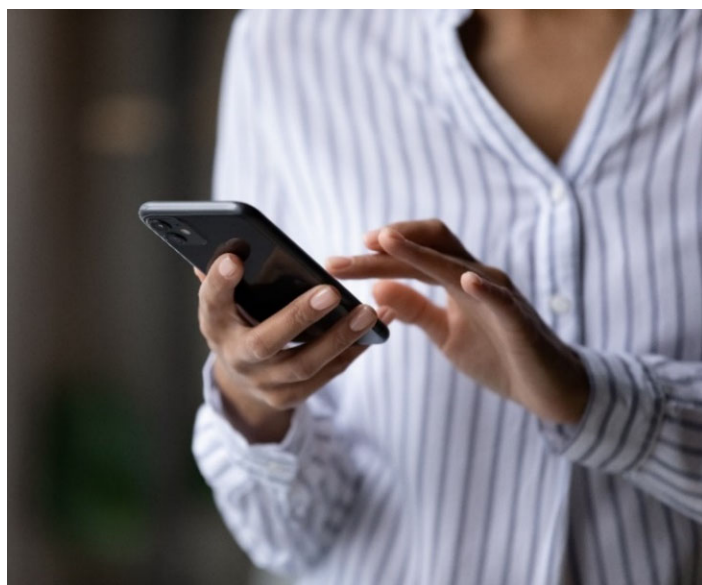
Providers are encouraged to review
OIG's Fraud, Waste, and Abuse Modules
and Payment Integrity Review training
on the ForwardHealth [Trainings](#) page.

Contact Provider Services

Providers also are encouraged to seek help with policy and billing questions before submitting claims by calling Provider Services at 800-947-9627.



Report Fraud, Waste, and Abuse



Help combat DHS program fraud, waste, and abuse by reporting suspected concerns to OIG at:

- **Phone:** 877-865-3432
- **Online:** www.reportfraud.wisconsin.gov

Questions

