

# **Home Health Agency Alert: The Review Choice Demonstration Project is Moving Forward in Illinois Effective June 1, 2019**

**(April 9, 2019):** This article updates [our article of February 19](#) on the lifting by the Centers for Medicare and Medicaid Services (“CMS”) of the moratorium on the enrollment of new home health agencies in Florida, Illinois, Michigan and Texas, and the announcement by CMS of the implementation of a new five year “Review Choice Demonstration Project” in three of those four states (Florida, Illinois, and Texas) as well as Ohio and North Carolina (with a possible extension to other states within the Palmetto/JM jurisdiction).

At the time of that article, CMS had announced that the project would begin in Illinois, with implementation in the other four states in the near future thereafter. However, CMS had not specified a “start date” for Illinois because it was awaiting approval by the Office of Management and Budget (“OMB”) at that time. CMS has now received that approval and has announced implementation in Illinois to begin on June 1, 2019. All episodes of care beginning on or after that date during the period of the demonstration will be subject to the requirements of the project.

## **I. Background of the Review Choice Demonstration Project:**

As background, under the Review Choice Demonstration Project, home health agencies in the affected states will initially select from three options to have their claims reviewed:

- Pre-claim review
- Post-payment review, or
- Minimal post-payment review with a 25% reduction.

After each six-month period, agencies with a 90% affirmation or approval rate under one of the first two options, above, will also be able to choose between two additional options. Each of these options is described in our February 19 article.

## **II. Illinois Home Health Agencies are Under the Microscope:**

Home health agencies located in Illinois must choose and register for one of the three options, above, between the dates of April 17 and May 16 on a portal established by Palmetto GBA. Any agency that fails to make a choice during that period will be assigned to the third option and will not be able to change that option during the entire five-year period, and thus will receive a 25%

payment reduction during this entire time.

As discussed in our February 19 article, the Review Choice Demonstration is an outgrowth of the Pre-claim Review Demonstration for Home Health Services that had been initially implemented in Illinois and then “paused” and never “restarted.” However, Illinois agencies that had met the 90% full provisional affirmation rate under that project (based on a minimal 10 request submission between August 2016 and March 2017) will be permitted to begin the Review Choice Demonstration by selecting from any of the options including the additional ones available to agencies with a 90% affirmation or approval rate during a 6-month period.

CMS has established links to both the Palmetto GBA portal described, above, and to an operational guide and Special Open Door Forum Presentation that describes the program at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Choice-Demonstration/Review-Choice-Demonstration-for-Home-Health-Services.html>.

### **III. Is Your Home Health Agency Ready for an Audit?**

Our earlier article goes into greater depth in describing the various options. That article also emphasizes the critical nature of the choice that each agency makes in selecting an option.

Each of the options presents a separate set of risks and benefits as opposed to the others – the one exception being that the third option of a 25% payment denial does not appear to be a viable one for any agency. Our earlier article also sets out several examples of these risks. We thus recommend that every agency take the necessary time to consult with knowledgeable individuals, both internal and external, in making this selection during each 6-month period.

Additionally, as stated in that article, we cannot recommend strongly enough that agencies in the affected states have procedures in place to properly document coverage for all the cases that they handle, and also a process to prepare and move documentation through the system quickly and comprehensively. They also should be updating their compliance and quality assurance programs to respond to these changes.

Liles Parker attorneys have substantial experience working with home health agencies in preparing them for the audit process which is similar to the processes that they will need to follow in responding to the Review Choice Demonstration Project, and in identifying the risks of choosing one option in relation to the others. A number of our attorneys are also certified coders who have substantial experience in developing a format to justify coverage. Finally, we have substantial experience working with agencies in developing and updating their compliance plans.

## Liles Parker PLLC

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