Corporate Structure

- **First Coast Service Options (First Coast)**
  - Formed in 1998 as a for profit, Florida corporation
  - Primarily focused on performing Medicare program administration for CMS as a Medicare Administrative Contractor (MAC)

- **Novitas Solutions (Novitas)**
  - Formed in 2006 as a for profit, Pennsylvania corporation
  - Primarily focused on performing Medicare program administration for CMS as a MAC

- **TriCenturion (TriC)**
  - Formed in 1998 as a for profit, Delaware LLC (subsequently converted to a corporation)
  - Primarily focused on performing anti-fraud work for CMS as a Program Safeguards Contractor

(Corporate Structure Diagram)

GuideWell Source (100% interest)

- **First Coast Service Options (First Coast)** (100% interest)
- **Novitas Solutions (Novitas)** (100% interest)
- **TriCenturion (TriC)** (50% interest)
Involved in Medicare administration since the inception of the program 50 years ago

Novitas incorporated as separate subsidiary in 1998

Novitas currently serves as the Medicare Administrative Contractor (MAC) for JH (AK, CO, LA, MI, NM, OK, and TX) and JL (PA, NJ, MD, DE and DC)

Novitas also has the Marketplace contract:

- Financial Support Services Contractor - providing all relevant financial reporting and accounting functions for the Centers of Medicare and Medicaid Services (CMS) including the reporting for the premium assistance and marketplace stabilization programs implemented under the Affordable Care Act.
MAC Jurisdictions

Consolidated A/B MAC Jurisdictions
## Jurisdiction Level Statistics

<table>
<thead>
<tr>
<th>STATISTIC</th>
<th>JURISDICTION L * (DC, DE, MD, NJ and PA)</th>
<th>JURISDICTION H ** (AR, CO, LA, OK, MS, NM and TX)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Claims Processed</td>
<td>133 million</td>
<td>163 million</td>
<td>296 million</td>
</tr>
<tr>
<td>Annual Claims Payments</td>
<td>$40 billion</td>
<td>$50 billion</td>
<td>$90 billion</td>
</tr>
<tr>
<td>Medicare Providers</td>
<td>104,657</td>
<td>116,095</td>
<td>220,752</td>
</tr>
<tr>
<td>Medicare Hospitals</td>
<td>541</td>
<td>1,190</td>
<td>1,731</td>
</tr>
<tr>
<td>Medicare Fee-For-Service Beneficiaries</td>
<td>4,145,537</td>
<td>5,717,831</td>
<td>9,863,368</td>
</tr>
<tr>
<td>Percent of National Part A/B Workload</td>
<td>11.0%</td>
<td>13.5%</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

** http://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/Jurisdiction_H_Fact-sheet.html#
Provider Audit Update

Peter Garza, JH Manager-Provider Audit & Reimbursement

January 19, 2018
Topics

- CMS Focus Issues in 2018
- Recent Changes in Novitas Audit
- PS&R Update
- Medicare SSI Percentages
Reopening of Cost Reports
- Reopening requests must be very specific and include language that addresses all flow through issues
  - “Reopen to adjust Medicaid days” – not sufficient
  - “Request a reopening to include additional Medicaid days from the most recent State listing and adjust the DSH amount on the cost report” - sufficient

Audit Selection process
- CMS requesting more issues and more time on the audit
  - No longer going to focus on one or two issues
  - May result in less audits, but the approved audits will be more intensive

Issue - NAHE programs and reviewing legal operator status
- In accordance with 42 CFR 413.85(f)(1), in order to be considered the legal operator of an approved nursing/allied health educational program the provider must meet all of the following requirements:
✓ Directly incur the training costs
✓ Have direct control of the program curriculum
✓ Control the administration of the program, including collection of tuition (where applicable), control the maintenance of payroll records of teaching staff or students, or both (where applicable) and be responsible for day-to-day program operation...
✓ Employ the teaching staff
✓ Provide and control both classroom instruction and clinical training (where classroom instruction is a requirement for program completion

- CMS has directed that costs be disallowed if the provider cannot document the above and reopen all available cost reports to disallow costs
- Absent evidence to the contrary, the provider that issues the degree, diploma, or other certificate upon successful completion of an approved education program is assumed to meet all of the criteria set forth above and to be the operator of the programs.
Recent Changes in Novitas Provider Audit

- **Automated Cost Report Acceptance**
  - Implemented an automated acceptance process (8/2016)
  - Pulls information from HFS and PS&R
  - Eliminates many of the manual steps
  - More complicated provider cost reports are routed out to an acceptance professional for processing

- **Automated Tentative Settlement**
  - Implemented an automated tentative settlement process (12/2016)
  - Pulls CY and PY HFS data, PS&R, and feeds into templates, runs calculations, and prints letters in streamlined process
  - More complicated provider cost reports are routed to TS professionals
Recent Changes in Novitas Provider Audit

Provider Portal Submissions
Recent Changes in Novitas Provider Audit

- Portal Benefits
- Gaining Access
- Novitasphere Portal Features
- Document Types for Portal Submissions
- CR Submission Walkthrough
- Miscellaneous Docs/Requests Submissions Walkthrough
- Future Enhancements
Portal Benefits

- Time
- Security
- Cost Reduction
- Process Streamlining
• Step 1
  – Create an EIDM account
• Step 2
  – Request additional access to Novitasphere via your EIDM profile
Novitasphere Portal Features

- Cost Report Submissions
- Med Record Submissions
- Claim Submissions
- Obtain Beneficiary Eligibility
- Live Chat
Novitasphere Secure Messaging

Provider Audit and Reimbursement Form

To begin, select the type of e-Documentation request you wish to submit, and click the Next button to access the form.

Note: * indicates a required field.

Document Type: *

Select One
Submit A Cost Report
Reopening
Appeals
SSI Realignment Request (DSH)
Provider-Based Determination
Wage Index/Occupational Mix Submissions
Desk Review/Audit Additional Documentation
Submit FOIA Request
Submit PS R Request
General Correspondence (not defined in other doctypes)

Next
Document Types for Portal Submissions

- **Submit A Cost Report**
  - Used for submitting As-Filed, Amended, and Low/No Utilization Cost Reports

- **Reopening**
  - Used for Submission of reopening Requests for a cost report after it has been settled

- **Appeals**
  - Used for the submission of supporting documents for cost reports that are under appeal

- **SSI Realignment Request (DSH)**
  - Used to request an update to a provider’s disproportionate share statistics

- **Provider-Based Determination**
  - Used to request initial setup or change in a unit’s provider-based status

- **Wage Index/Occupational Mix**
  - Used to upload documentation for the yearly wage index and occupational mix audits

- **Desk Review/Audit Additional Documentation**
  - Used to upload documentation requested by the Novitas audit staff during the time of a desk review and/or audit

- **Submit FOIA Request**
  - Used to submit a Freedom of Information Act request for Medicare cost reports

- **Submit PS&R Request**
  - Used to submit a Provider Statistical & Reimbursement report request for fiscal years not covered on the CMS PS&R online system. Providers may utilize this selection if they are currently experiencing PS&R access issues as well.

- **General Correspondence**
  - Used to submit documentation for items not covered in the above-mentioned table selections; such items include:
    - Request for Interim Rate Change
    - Request for Tentative Settlement Change
    - TEFRA Exception Request
    - SCH Low Volume Request
    - Request for Change in Statistical Basis
    - CMS Tie-In-Notice
    - Bankruptcy
    - Other Supporting Documentation
    - 50%Reduction Request
CR Submission Walkthrough

1. Login to Novitasphere
2. Navigate to Secure Messaging
3. Select “Audit & Reimbursement”
4. Select “Submit A Cost Report”
5. Answer Questions To Classify Your C/R Submission
6. Select Fiscal Period and Upload Documents
7. Add Comments if Necessary and Submit
### Selecting a Document Type

#### Provider Audit & Reimbursement Request

<table>
<thead>
<tr>
<th>Required</th>
<th>Document Type:</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Please select one</td>
<td></td>
</tr>
<tr>
<td>Submit a Cost Report</td>
<td></td>
</tr>
<tr>
<td>Reopening</td>
<td></td>
</tr>
<tr>
<td>Appeals</td>
<td></td>
</tr>
<tr>
<td>SSI Realignment Request (DSH)</td>
<td></td>
</tr>
<tr>
<td>Provider-Based Determination</td>
<td></td>
</tr>
<tr>
<td>Wage Index/Occupational Mix Submissions</td>
<td></td>
</tr>
<tr>
<td>Desk Review/Audit Additional Documentation</td>
<td></td>
</tr>
<tr>
<td>Submit FOIA Request</td>
<td></td>
</tr>
<tr>
<td>Submit PS&amp;R Request</td>
<td></td>
</tr>
<tr>
<td>General Correspondence</td>
<td></td>
</tr>
</tbody>
</table>
Classify Cost Report Submission

Provider Audit & Reimbursement Request

* Required

- **Document Type:**
  - Submit a Cost Report

- Are you submitting additional documentation for an existing Medicare cost report?
  - **Note:** If you are filing an amended cost report please select "No" in the following dropdown.
  - **Dropdown:** No

- Are you filing a Low or No Medicare utilization cost report:
  - **Dropdown:** Please select one
    - Yes
    - No

*Next*
Selecting Fiscal Period & Upload

Cost Reports Submission Form

Please enter the required information in the fields below. Cost reports are processed within 30 business days of receipt.

Note: You will be alerted if your submission exceeds the size limit of 200MB.

* Required

NPI: 123456789
PTAN: 123456789
Location: FL

* Fiscal Period: 01/01/2016 - 12/31/2016

If you cannot locate the provider fiscal period you are searching for, please email PARDSupport@fcso.com

* ECR File: Browse... Clear
* PI File: Browse... Clear

Supporting Documentation:

Please Select a Sub Document Type: 

Add More Documentation

Comment:

* Requester Name:

Electronic signature

I certify the information I provided on and in connection with this submission is true, accurate, and correct.

Upload File: Reset Form
Selecting Sub Document Types

Cost Reports Submission Form

Please enter the required information in the fields below. Cost reports are processed within 30 business days of receipt.

Note: You will be alerted if your submission exceeds the size limit of 200MB.

* Required

NPI: 123456789
PTAN: 987654
Location: FL

Fiscal Period: [yyyy mm dd]

If you cannot locate the provider fiscal period you are searching for, please email PARDSupport@fcsio.com

Supporting Documentation:

Please Select a Sub Document Type

- Cover Letter
- Worksheet S with Signature
- CMS 339 with Signature
- Bad Debt Listing(s)
- Financial Documents
- Protested Items
- PS&R Information
- Wage Index
- A-5 Reclas
- A-8 Adjustments
- DSH Information
- GME/IME
- Organ Acquisition
- Para-Medical/Nursing School
- Low Volume ESRD Adjustments
- CMS Tie-In Notice
- Other Supporting Documentation
- Check
- IRIS Files

In connection with this submission is true, accurate, and correct.
Adding Comments & Submitting

Cost Reports Submission Form

Please enter the required information in the fields below. Cost reports are processed within 30 business days of receipt.

* Required

NPI: 123456789
PTAN: 123456789
Location: FL

Fiscal Period: 01/01/2013-12/31/2013

If you cannot locate the provider fiscal period you are searching for, please email PARDSupport@fcso.com

Supporting Documentation:

Financial Documents
Please Select a Sub Document Type

Add More Documentation

Comment:

Requester Name:
Electronic signature

I certify the information I provided on and in connection with this submission is true, accurate, and correct.

Upload File
Reset Form
Thank you for your submission

Thank you for using Novitasphere to submit your secure message to Novitas Solutions. The confirmation number of your submission is D492412B-B883-4189-C36A7B8F051290.

Remember, you can track the status of your submission using this confirmation number. If you have an inquiry about anything Novitasphere, be sure to use the feedback form located under the Help tab at the top of every page.

Please use the Novitas PARD contact page for information about where to submit your Worksheet S certification page with the original signature. Use the same contact page for information as to where to send your hardcopy check if you’re filing your cost report as an overpayment.
Provider Audit and Reimbursement Form

To begin, select the type of e-Documentation request you wish to submit, and click the Next button to access the form.

Note: * Indicates a required field.

Document Type: *

- Submit A Cost Report
- Reopening
- Appeals
- SSI Realignment Request (DSH)
- Provider-Based Determination
- Wage Index/Occupational Mix Submissions
- Desk Review/Audit Additional Documentation
- Submit FOIA Request
- Submit PS R Request
- General Correspondence (not defined in other doctypes)
Provider Audit and Reimbursement Form

Please enter the required information in the fields below. Cost reports are processed within 30 business days of receipt.

Note: You will be alerted if your submission exceeds the size limit of 200MB.

Indicates a required field.

Fiscal Period:
07/01/2016-06/30/2017

If you cannot locate the provider fiscal period you are searching for, please email the following contact:
- JL Providers: settlement@novitas-solutions.com
- JH Providers: JHsettlement@novitas-solutions.com

Supporting Documentation:

Cover Letter

Add More Documentation
Comment:

Requester Name:
Electronic signature

I certify the information I provided on and in connection with this submission is true, accurate, and correct.

Submit
Reset Form
Other Items - Novitasphere

Secure Message Submission History

**Submission Type:** Audit & Reimbursement

**Search Criterion:** Date Range

Please select a Date Range below, to view your documentation submission history.

Note: * Indicates a required field. All dates must be entered in the MM/DD/YYYY format and include forward slashes.

**Date(s) of Submission:**

03/20/2016

To: 03/28/2016

**Confirmation ID** | **Form** | **Status** | **Submission Date**
--- | --- | --- | ---
 | General Correspondence (07/01/2014:06/30/2015) | Upload fail* | 2016-03-24 12:26:50.93
 | FOIA Request | Received | 2016-03-28 15:13:36.177
 | Cost Report (07/01/2014:06/30/2015) | Received | 2016-03-28 16:56:25.197

*For failed uploads, please resubmit your file.
### Secure Message Communications

<table>
<thead>
<tr>
<th>From</th>
<th>Subject</th>
<th>Creation Date</th>
<th>Attachment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-06-17 14:30:50</td>
<td>PDF</td>
</tr>
<tr>
<td>Medicare</td>
<td>Pre-Pay Probe – Initial Letter</td>
<td>2016-06-17 14:30:49</td>
<td>PDF</td>
</tr>
<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-06-17 14:10:49</td>
<td>PDF</td>
</tr>
<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-06-17 10:55:44</td>
<td>PDF</td>
</tr>
<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-06-17 00:20:42</td>
<td>PDF</td>
</tr>
<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-06-17 00:20:42</td>
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<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-06-17 00:15:40</td>
<td>PDF</td>
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<td>Medicare</td>
<td>Confirmation</td>
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<td>PDF</td>
</tr>
<tr>
<td>Medicare</td>
<td>Confirmation</td>
<td>2016-04-01 17:18:13</td>
<td>PDF</td>
</tr>
</tbody>
</table>
Other Items - Novitasphere

Contact Information

If you have questions related specifically to the Novitasphere Portal, for registration, connectivity or password issues, call 1-855-880-8424.

<table>
<thead>
<tr>
<th>Day</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novitasphere Help Desk Hours (EST)</td>
<td>8:00 AM - 5:00 PM</td>
<td>8:00 AM - 5:00 PM</td>
<td>8:00 AM - 5:00 PM</td>
<td>8:00 AM - 5:00 PM</td>
<td>8:00 AM - 5:00 PM</td>
</tr>
</tbody>
</table>

If your question is directly regarding how a claim has processed, you should continue to contact:

- For additional contact information, please refer to our website at: [https://www.novitas-solutions.com/contact_JL/index.html](https://www.novitas-solutions.com/contact_JL/index.html)
- For Jurisdiction H (JH): Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Texas, Indian Health Service (IHS)/Tribal/Urban Indian Providers and Veterans Affairs Providers, call 1-855-252-8782.
- For additional contact information, please refer to our website at: [https://www.novitas-solutions.com/contact_JH/index.html](https://www.novitas-solutions.com/contact_JH/index.html)

NOTE: When clicking the above links, you may need to change your Part A/Part B selection in the upper left corner of the Novitasolutions.com website to access your line of business-specific information.
Future Enhancements

- Full Two Way Communication
  - Letters from PAR arrive in portal inbox (PDF)
  - Other file types uploaded to provider inbox
    - Detail PS&Rs
    - Excel, PDF, and Word files
    - Audit/Desk Review/Reopening/Wage Index Documents

- Email Notifications of Incoming Documents
  - Feature went live 1/17/17

- New Document Type for CRNA Submissions
  - Feature went live 1/17/17
Novitasphere References

- Novitasphere Part A User Manual:
  - http://www.novitasolutions.com/webcenter/content/conn/UCM_Repository/uuid/dDocName:00126973

- Part A Novitasphere Frequently Asked Questions:
  - http://www.novitasolutions.com/webcenter/content/conn/UCM_Repository/uuid/dDocName:00126974

- Eligibility Guide:
  - http://www.novitasolutions.com/webcenter/content/conn/UCM_Repository/uuid/dDocName:00098576

- Cost Report Submission Quick Steps:
  - http://www.novitasolutions.com/webcenter/content/conn/UCM_Repository/uuid/dDocName:00134848
CIO Directive 16-01 CMS Encryption of Sensitive Information in Email

- CMS Sensitive Information includes:
  - Personally Identifiable Information (PII)
  - Protected Health Information (PHI)
  - Federal Tax Information (FTI)
  - Information system component information

- The following elements are not required to be sent in encrypted attachments unless they are combined with other elements above:
  - Provider Name
  - Provider Address
  - Provider Telephone Number
  - Provider Email Address
  - Provider Transaction Access Number (PTAN) or NPI
Recent Changes in Novitas Provider Audit

- PHI must be in an encrypted attachment when sent by email
  - PHI is individually identifiable health information related to past, present or future health or condition of an individual; provision of health care to an individual; or past, present or future payment for provision of health care to an individual

| Protected Health Information (PHI) includes all of the following information: |
|-----------------------------------|----------------------------------|---------------------------------|
| Name                              | Dates – birth date, admission date, discharge date, date of death | Device identifier and serial numbers |
| Address                           | Medical record numbers           | Web Universal Resource Locators (URLs) |
| Telephone Numbers                 | Health plan beneficiary numbers  | Internet Protocol (IP) address numbers |
| Fax Numbers                       | Account numbers                  | Biometric identifiers, including finger and voice prints |
| Email Address                     | Certificate/license numbers      | Full face photographic images and any comparable images |
| Social Security Numbers           | Vehicle identifiers and serial numbers, including license plate | Any other unique identifying number, characteristic or code |
CMS Information Security Acceptable Risk Safeguards (ARS) 2.0

SC-CMS-1 – Electronic Mail (High)
  • Controls shall be implemented to protect sensitive information that is sent via email
  • Implementation Standard:
    ✓ Prior to sending an email, place all sensitive information in an encrypted attachment.

CIO Directive 16-01 CMS Encryption of Sensitive Information in Email
  • Must use encryption that meets Federal Information Processing Standard (FIPS) 140-2 requirements (e.g., SecureZip)
  • Encryption/decryption password/passphrase can no longer be communicated by email effective 7/15/2016
Novitas will use SecureZip to secure sensitive information in an encrypted attachment when sending an external email.

Password/passphrase must:
- Include at least eight characters
- Contain at least one (1) upper case letter, one (1) lower case letter, one (1) number and one (1) special character

Novitas will never include the password/passphrase in the same email as the encrypted attachment (CMS requirement).

Effective July 15, 2016, the password/passphrase cannot be sent by email when sending CMS Sensitive Information in encrypted attachments.

Faxination
- This is the preferred method to send a password/passphrase.
Recent Changes in Novitas Provider Audit

- **Fax**
  - When using a physical fax machine, verify that the recipient is available to pick up the fax

- **Phone call**
  - The password *cannot* be left on voice message.
  - If we do not reach the individual first time calling, we will leave a message to call back so that you may retrieve their decryption password/passphrase

- Standard password/passphrase may be used and shared using one of the approved methods

- A standard passphrase can be used for no longer than 365 days with an external organization
SecureZip Troubleshooting Tips:

- If you are unable to open email with the SecureZip encrypted attachment, try the troubleshooting tips using this link:
  - Novitas JH

- If you continue to have issues, contact the auditor and we will open a ticket with the IT Service Desk

- IronPort can only be used after receiving approval by Novitas System Security
  - Approval is on a case-by-case basis and must be requested each time or for a specific period of time (e.g., for the completion of an audit). There is no one-time approval.
  - Once approved by System Security, we will encrypt the email message and a link will be emailed to the recipient to access the email at a secure, external site.
Recent Changes in Novitas Provider Audit

- Recipient cannot open the SecureZip® file
  - SecureZip® files must be opened with ZIP Reader by PKWARE. This software is free and can be downloaded from www.zipreader.com.

- Recipient receives an error message that the password is not correct

  ![Error Message](Compressed%20(zipped)%20Folders%20Error.png)

  - File may be opening using the standard Windows compressed/zipped function.
    - Make sure that ZIP Reader by PKWARE is installed.
    - Ensure that the file association for *.zip is set to open using ZIP Reader by PKWARE.

- The recipient’s IT support may need to be contacted if the recipient does not have the ability to install software or access file associations (Control Panel)
Novitas-Solutions.com Website Improvement

- Enhancement for all iPhone or iPad users
  - The website scrolls better now from mobile access points
  - Clicking on features easily flows to that page
PS&R Update

- **RAC PIP PS&R**
  - 1/9/17 CMS notified all MACs - correction to PS&R
  - Novitas was holding most hospital PIP provider’s NPR due to improper reporting of payments due to RAC
  - If settled as is, providers would have been underpaid
  - CMS will issue a TDL instructing MAC’s to settle cost reports and most likely provide a timeline to complete
    - TDL will address cost reports already settled and those settled with the CMS approved workaround
    - Potential cost report reopenings
Change Request 9896 – issued 12/16/16 and effective 1/19/17 explains the election available for hospital cost reporting periods that involve Medicare SSI ratios for FFY 2004 and earlier

- CMS Ruling 1498-R required the PRRB to remand qualifying appeals to Novitas
- CMS Ruling 1498-R2 explained how contractors were to recalculate the DSH adjustment, resolving any of the three different DSH issues
- We will resolve each Medicare-SSI and dual eligible non-covered day appeal remanded by the PRRB or any open cost report that is subject to CMS Ruling 1498-R
Hospitals may elect either of the two options:

- Include inpatient days of a person entitled to Medicare Part A in the numerator of the SSI fraction (assuming they were entitled to SSI) and in the denominator, even if the stay was not covered under Part A.
- Exclude such days where the patient’s Part A hospital benefits were exhausted or were not in a covered Part A stay from both the numerator and the denominator of the Medicare-SSI fraction.

In summary – providers can elect a revised fraction on the basis of “covered days” or “total days”.

To assist providers, CMS has published on its Web site revised fractions using both of the above.

Providers are required to notify Novitas within 180 days of the posted date on our website.
Failure of a provider to respond or include all 11 elements will result in a follow up letter from Novitas and a 30 day notice.

Failure to respond in 30 days will result in Novitas including the method that includes the higher SSI ratio.

Providers may also request a realignment request for the same FYE cost reports covered above:
- If a provider previously requested a realignment request, it must be submitted again.
Questions?

Contact:
Peter.Garza@novitas-solutions.com