

# MDPCP

MARYLAND PRIMARY CARE PROGRAM



*Maryland Primary Care Program (MDPCP)*

*Frequently Asked Questions (FAQs): Audits  
Program Year 2019*

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## Frequently Asked Questions (FAQs): Audits

### **1. How are practices and CTOs chosen for an audit?**

A number of practices and CTOs are selected for annual audits through screening that considers a combination of various risk elements. In addition to planned audits, some practices may be selected for follow-up audits based on findings related to the prior Program Year (PY) audits.

### **2. When will I know if my practice or CTO is selected for an audit? How will I be notified?**

Lewin will notify you by email in March 2021 if you are selected for a planned PY 2019 audit. In either instance, all points of contacts (POCs) listed in the MDPCP Portal will be sent the audit notification. Please remember that your practice or CTO is subject to audit at any time.

### **3. If my practice or CTO is selected for an audit, who will receive the audit package?**

If your practice or CTO is selected for an audit, your POCs will receive the notification and audit instructions via email from Lewin, the MDPCP Operations Contractor. Lewin will send the instructions to the primary and secondary POCs listed in the “Demographic Information” tab of the “My Practice Info” page in the MDPCP Portal. Please keep your POC information updated in the MDPCP Portal to ensure you receive practice or CTO-specific communications, such as audit notices.

### **4. Where do MDPCP audits take place?**

We will conduct all audits remotely.

### **5. If my practice or CTO is selected for an audit, will the audit cover more than the prior year's results?**

No. If your practice or CTO is selected for a planned Program Year audit, the audit will cover only that year's information.

### **6. What tools are available to my practice or CTO if I have questions about the audit?**

If you are selected for an MDPCP audit, you will receive information about the audit process from audit contractor Lewin. You can find general information about MDPCP audits on MDPCP Connect such as the December 2020 Office Hour slides containing an overview of the audit and MDPCP Program Compliance Audits PY 2019 Quick Reference Guide. If you have further questions regarding audits, you may submit them to [MarylandModel@cms.hhs.gov](mailto:MarylandModel@cms.hhs.gov) or call 1-800-771-9046.

### **7. What are the focus areas of the audits?**

For PY 2019, if you’re selected for a planned audit, it will focus on program compliance. If significant or numerous findings are noted during the program compliance, additional audit procedures may be conducted on your financial information.

**8. *If my practice or CTO is selected for an audit, how will the process begin?***

If your practice or CTO is selected for a program compliance audit, you will receive an audit notification package consisting of a notification letter, information and document request list, and the name of your audit POC. We will conduct a live, interactive, and web-based introductory conference to discuss the audit timeline, the information and documentation request list, due dates for your documentation submission, and the overall audit process. You will have an opportunity to ask questions at the conclusion of the webinar. We encourage you to reach out to us for any questions you may have relating to the information contained in the audit notification package. We will work with you to ensure a smooth and minimally burdensome audit process.

**9. *How can our practice or CTO prepare for a potential audit of MDPCP and financial information and what documents will be reviewed?***

Maintaining written policies and procedures about your financial reporting process, care transformation activities, and all other types of MDPCP reporting will help your practice improve compliance and your audit outcome.

Your practice or CTO will be required to provide supporting documentation related to your MDPCP financial reports and selected Participation Agreement (PA) requirements. The list below, although not all-inclusive, will help you prepare for auditor requests for information during an audit.

- We will review general ledger detail and/or the accounting system reports that you provide to reconcile how Centers for Medicare & Medicaid Services (CMS) MDPCP funds were used. As with all reporting, it is a best practice to perform internal reviews of MDPCP financial reporting before submitting it via the MDPCP Portal.
- If your practice is part of a health system, you must show how you capture data that pertains to your particular practice site, such as practitioner labor cost; including your approach to assigning any expenditure shared by all your organization's participating MDPCP practices to each practice site, such as accounting labor costs if those costs are centralized.
- You must record CMS MDPCP revenues separately from other practice revenues and provide documentation to show this.
- We recommend the use of a brief Financial Reporting-Practice Level Time Study, to help your practice determine accurate, supportable MDPCP labor expenditure amount. A time study refers to the documentation of the time employees spent performing each labor activity and is explained in more depth in FAQ 11.
- We will also select a sample of expenditures from the total reported expenditures for additional testing. For the samples selected, your practice will be required to provide supporting documentation (e.g., invoices, receipts, or supporting documentation for wages). We may request other supporting documentation as needed. If audited, you will be given ample time and instructions on what to share during the audit. Please note that your practice is required to retain financial-related data and documentation for 10 years.

**10. *Is a signed time attestation sufficient documentation for labor in the event of a financial audit?***

A signed time attestation is appropriate documentation to support audit requests on time allocations; but, to substantiate labor expenditures, we will require third-party documentation, such as a payroll report generated by a payroll service company. Since not all practices have easy access to a third-party source of payroll verification, we will also accept prepared Form W-2s that your practice used for tax submissions.

**11. *Should we perform time studies for practitioners (e.g., doctors, nurse practitioners) for financial reporting purposes?***

If your practice or CTO chooses to conduct a time study, include any staff members performing activities related to MDPCP. If many people are in the same labor category with comparable responsibilities related to MDPCP, it may be valuable to conduct the time study across the labor category as opposed to studying each employee. While time studies are not a requirement, they may be valuable to understand and document the methodologies or rationale used to determine the amount of time that employees engaged in MDPCP activities. This means that for one or two weeks, each employee would record the time spent performing MDPCP activities. Once the time study is complete, calculate an actual time allocation percentage and project the calculated percentage for the entire year. Apply this percentage to each employee's annual salary to calculate actual MDPCP labor expenditures when reporting. Note this would not be necessary for employees that take part in MDPCP activities full time (e.g., RNs who are care managers or care coordinators).

There are several approaches to and templates for conducting time studies. We encourage you to research options and use the time study method that works best for your practice to gain an accurate understanding of the amount of time employees are engaged in MDPCP work.

The Financial Reporting-Practice Level Time Study can be very helpful for doing these calculations.

**12. *How can our practice or CTO prepare for the care delivery transformation portion of the program compliance audit, and what documentation will be reviewed?***

Save and maintain the documentation used at the time of reporting your quarterly care delivery transformation information as health IT systems are continuously updated due to patients moving in and out of risk levels regularly. This action will ensure you can support the information you reported to MDPCP. In addition, ensure the documentation saved encompasses as many data points as possible (e.g., name of patient, date of visit, date of follow-up). Documentation reviewed during a care delivery transformation audit may include worksheets, notes, tools, electronic health record (EHR) reports, medical records, labor contracts, and patient information related to empanelment, risk stratification, and other MDPCP activities. This documentation will be used to substantiate the work performed for MDPCP care delivery transformation activities. Information contained in your EHR greatly assists in demonstrating your practice's compliance with the PA requirements. Any notes or crosswalks you developed related to the reporting process may also be reviewed, and we may request other supporting documentation as needed. If audited, you will be given ample time and instructions on what to share during the audit. Please

note that you are required to retain care delivery transformation related data and documentation for 10 years.

**13. *Will we have an audit issue if we included depreciation expense in our financial reporting?***

Yes. The 2019 MDPCP Financial Reporting Guide allows for expenditures to be included in financial reporting. Expenditures are defined as payments or disbursements and, thus, are associated with cash movements. An expenditure plan is distinct from an expense like depreciation, which recognizes the utility of a purchased item over a period of time.

Additionally, if the purchase of allowable non-labor equipment is included in 2019 MDPCP reporting, the inclusion of depreciation for the same item in the same or future periods would constitute an instance of reporting the same purchase twice, which is not allowable.

**14. *Will CMS ask other payers for payment information or audit practices' financial reports?***

CMS will not ask other payers for payment information or financial reports related to the MDPCP audit.

**15. *How long will it take to receive audit results?***

The audits usually span about 90–120 days, and may vary depending on the type of audit, and how promptly and completely you respond to auditor requests for information. A notice of audit results will be conveyed to you via email at the end of this period.

**16. *Will my practice or CTO receive feedback throughout the audit process or only at the end?***

Your practice or CTO will receive feedback throughout the audit process as any potential issues arise. The audit team POC assigned to you will request extra supporting documentation and ask follow-up questions as needed. We will note any remaining findings that have not been fully resolved in the Preliminary Findings Report and will discuss them with you during the preliminary findings conference call.

**17. *How will the audit be concluded?***

The auditors will provide a Preliminary Findings Report to you that will include a list of audit findings and any documentation requests still outstanding. A preliminary findings conference will be scheduled with you to discuss this report, and your practice will have approximately one week to provide responses to these findings or make corrections. When the auditors have collected your feedback and reviewed any outstanding submissions from your practice, results will be submitted to CMS. Final audit results will be conveyed to your practice via email after CMS review.

**18. *What is the most common audit finding?***

A common audit finding is that a practice was unable to substantiate the information they reported to MDPCP. It is important to keep all the documentation used to report your quality, care delivery transformation, and financial data. Your practice or CTO should be able to recreate

all the data reported in the MDPCP Portal using the documentation you save. If you can recreate the same reported information during the audit, the likelihood of an audit finding will drop considerably.

**19. *What are the possible outcomes of MDPCP audits?***

Audits are for both educational purposes and to assess MDPCP compliance. At the conclusion of your audit, you may receive a confirmation that you met the audit requirements. In that case, no action is required. Many audit findings result in educational opportunities. If serious violations of the MDPCP PA occur, CMS may take action that includes withholding or recouping funds, placing a practice or CTO on a monitoring or auditing plan, requiring a follow-up audit or other corrective actions, or termination from the program.

**20. *While gathering supporting documentation for an audit, what if we uncover that our practice or CTO may have misreported or underreported data? When and how should we fix this?***

If you find your reporting may be incorrect, please notify your MDPCP auditor about the misreported information as soon as possible. Provide the auditor with the correct information, as well as an explanation of why the misreporting or underreporting took place. The audit team will work with your practice and provide you further direction based on the specific circumstances surrounding your situation. If you are not under audit, you can request a data correction in the MDPCP Portal.

**21. *If my practice or CTO is being audited for MDPCP and the auditor requests we submit patient information that may contain protected health information (PHI) or personally identifiable information (PII), is it safe to provide that information?***

Any PHI or PII your practice or CTO would be required to provide will be transferred using a secure, cloud-based document-sharing portal that is configured with the appropriate administrative, physical, and technical safeguards to protect the confidentiality and integrity of PHI/PII under CMS requirements. MDPCP auditors may request patient information that contains PHI or PII, and your practice's audit POC will provide direct guidance on what information is acceptable to fulfill specific audit requests. Your audit POC will also provide specific instructions for submitting the supporting documentation using the secure file transfer system.

CMS contractors may use or disclose PHI or PII only as permitted or required by its contract as required by law and is subject to the Health Insurance Portability and Accountability Act. If you have specific questions about the information being requested for the audit, please direct them to your audit POC (who will be identified to you at the beginning of the audit process) or to the Help Desk at the following email address: [MarylandModel@cms.hhs.gov](mailto:MarylandModel@cms.hhs.gov).