CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-08 Medicare Program Integrity	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 425	**Date: June 15, 2012**
	Change Request 7851

SUBJECT: Provider Self Audits

I. SUMMARY OF CHANGES: The purpose of this CR is to update the OIG Web sites for Compliance Program Guidelines.

EFFECTIVE DATE: July 16, 2012
IMPLEMENTATION DATE: July 16, 2012

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	1.3.9/Provider Self Audits

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-08	Transmittal: 425	Date: June 15, 2012	Change Request: 7851

SUBJECT: Provider Self Audits

Effective Date: **July 16, 2012**

Implementation Date: July 16, 2012

I. GENERAL INFORMATION

We are updating the Web site references for the OIG Compliance Program Guidelines and statistical sampling that providers follow when conducting a self audit.

A. Background:

Providers have the opportunity to conduct self-audits to identify coverage and coding errors.

B. Policy:

Providers who choose to conduct a self audit shall follow the OIG Compliance Program Guidelines.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
							FISS	MCS	VMS	CWF	
7851.1	**Contractors shall refer to the OIG Web site for information on OIG Compliance Program Guidelines and statistical sampling**	X	X	X	X	X					ZPIC RA CERT

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	None										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

X-Ref Requirement Number	Recommendations or other supporting information:
7851.1	Information on OIG Compliance Program Guidelines and statistical sampling can be found on the OIG Web site-- http://oig.hhs.gov/compliance/compliance-guidelines/index.asp and the statistical guidelines in http://oig.hhs.gov/authorities/docs/selfdisclosure.pdf

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Debbie Skinner, Debbie.skiner@cms.hhs.gov , 410-786-7480

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers,* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs),* include the following statement:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

1.3.9 – Provider Self Audits

(Rev.425, Issued: 06-15-12, Effective: 07-16-12, Implementation; 07-16-12)

Providers may conduct self-audits to identify coverage and coding errors. The Office of Inspector General (OIG) Compliance Program Guidelines *can be found at http://oig.hhs.gov/compliance/compliance-guidelines/index.asp and the statistical guidelines in http://oig.hhs.gov/authorities/docs/selfdisclosure.pdf (if statistical sampling is utilized during the audit).* ACs and MACs shall follow chapter 4, section 4.16, handling any voluntary refunds that may result from these provider self-audits.

Most errors do not represent fraud. Most errors are not acts that were committed knowingly, willfully, and intentionally. However, in situations where a provider has repeatedly submitted claims in error, the ACs and MACs shall follow the procedures listed in chapter 3, section *3.2.1.* For example, some errors will be the result of provider misunderstanding or failure to pay adequate attention to Medicare policy. Other errors will represent calculated plans to knowingly acquire unwarranted payment. Per chapter 4, section *4*.2.1, ACs and MACs shall take action commensurate with errors made. ACs and MACs shall evaluate the circumstances surrounding the errors and proceed with the appropriate plan of correction.