DHS Rules for Documentation of Services & Audit Procedures

February 7, 2018

441—79.3(249A) Maintenance of records by providers of service. A provider of a service that is charged to the medical assistance program shall maintain complete and legible records as required in this rule. Failure to maintain records or failure to make records available to the department or to its authorized representative timely upon request may result in claim denial or recoupment.

79.3(1) Financial (fiscal) records.

a. A provider of service shall maintain records as necessary to:
   (1) Support the determination of the provider’s reimbursement rate under the medical assistance program; and
   (2) Support each item of service for which a charge is made to the medical assistance program. These records include financial records and other records as may be necessary for reporting and accountability.

b. A financial record does not constitute a medical record.

79.3(2) Medical (clinical) records. A provider of service shall maintain complete and legible medical records for each service for which a charge is made to the medical assistance program. Required records shall include any records required to maintain the provider’s license in good standing.

a. Definition. “Medical record” (also called “clinical record”) means a tangible history that provides evidence of:
   (1) The provision of each service and each activity billed to the program; and
   (2) First and last name of the member receiving the service.

b. Purpose. The medical record shall provide evidence that the service provided is:
   (1) Medically necessary;
   (2) Consistent with the diagnosis of the member’s condition; and
   (3) Consistent with professionally recognized standards of care.

c. Components.
   (1) Identification. Each page or separate electronic document of the medical record shall contain the member’s first and last name. In the case of electronic documents, the member’s first and last name must appear on each screen when viewed electronically and on each page when printed. As part of the medical record, the medical assistance identification number and the date of birth must also be identified and associated with the member’s first and last name.

   (2) Basis for service—general rule. General requirements for all services are listed herein. For the application of these requirements to specific services, see paragraph 79.3(2) “d.” The medical record shall reflect the reason for performing the service or activity, substantiate medical necessity, and demonstrate the level of care associated with the service. The medical record shall include the items specified below unless the listed item is not routinely received or created in connection with a particular service or activity and is not required to document the reason for performing the service or activity, the medical necessity of the service or activity, or the level of care associated with the service or activity:
   1. The member’s complaint, symptoms, and diagnosis.
   2. The member’s medical or social history.
3. Examination findings.
4. Diagnostic test reports, laboratory test results, or X-ray reports.
5. Goals or needs identified in the member’s plan of care.
6. Physician orders and any prior authorizations required for Medicaid payment.
7. Medication records, pharmacy records for prescriptions, or providers’ orders.
8. Related professional consultation reports.
9. Progress or status notes for the services or activities provided.
10. All forms required by the department as a condition of payment for the services provided.
11. Any treatment plan, care plan, service plan, individual health plan, behavioral intervention plan, or individualized education program.
12. The provider’s assessment, clinical impression, diagnosis, or narrative, including the complete date thereof and the identity of the person performing the assessment, clinical impression, diagnosis, or narrative.
13. Any additional documentation necessary to demonstrate the medical necessity of the service provided or otherwise required for Medicaid payment.

(3) Service documentation. The record for each service provided shall include information necessary to substantiate that the service was provided and shall include the following:
1. The specific procedures or treatments performed.
2. The complete date of the service, including the beginning and ending date if the service is rendered over more than one day.
3. The complete time of the service, including the beginning and ending time if the service is billed on a time-related basis. For those non-time related services billed using Current Procedural Terminology (CPT) codes, the total time of the service shall be recorded, rather than the beginning and ending time.
4. The location where the service was provided if otherwise required on the billing form or in 441—paragraph 77.30(5)”c” or “d,” 441—paragraph 77.33(6)”d,” 441—paragraph 77.34(5)”d,” 441—paragraph 77.37(15)”d,” 441—paragraph 77.39(13)”e,” 441—paragraph 77.39(14)”d,” or 441—paragraph 77.46(5)”i,” or 441—subparagraph 78.9(10)”a”(1).
5. The name, dosage, and route of administration of any medication dispensed or administered as part of the service.
6. Any supplies dispensed as part of the service.
7. The first and last name and professional credentials, if any, of the person providing the service.
8. The signature of the person providing the service, or the initials of the person providing the service if a signature log indicates the person’s identity.
9. For 24-hour care, documentation for every shift of the services provided, the member’s response to the services provided, and the person who provided the services.

(4) Outcome of service. The medical record shall indicate the member’s progress in response to the services rendered, including any changes in treatment, alteration of the plan of care, or revision of the diagnosis.

d. Basis for service requirements for specific services. The medical record for the following services must include, but is not limited to, the items specified below (unless the listed item is not routinely received or created in connection with the particular service or activity and is not required to document the reason for performing the service or activity, its medical necessity, or the level of care associated with it). These items will be specified on Form 470–4479, Documentation Checklist, when the Iowa Medicaid enterprise program integrity unit requests providers to submit records for review. (See paragraph 79.4(2) “b.”)
(1) Physician (MD and DO) services:
   1. Service or office notes or narratives.
   2. Procedure, laboratory, or test orders and results.

(2) Pharmacy services:
   1. Prescriptions.
   2. Nursing facility physician order.
   3. Telephone order.
   4. Pharmacy notes.
   5. Prior authorization documentation.

(3) Dentist services:
   1. Treatment notes.
   2. Anesthesia notes and records.
   3. Prescriptions.

(4) Podiatrist services:
   1. Service or office notes or narratives.
   2. Certifying physician statement.
   3. Prescription or order form.

(5) Certified registered nurse anesthetist services:
   1. Service notes or narratives.
   2. Preanesthesia physical examination report.
   3. Operative report.
   4. Anesthesia record.
   5. Prescriptions.

(6) Other advanced registered nurse practitioner services:
   1. Service or office notes or narratives.
   2. Procedure, laboratory, or test orders and results.
   3. Other service documentation as applicable.

(7) Optometrist and optician services:
   1. Notes or narratives supporting eye examinations, medical services, and auxiliary procedures.
   2. Original prescription or updated prescriptions for corrective lenses or contact lenses.
   3. Prior authorization documentation.

(8) Psychologist services:
   1. Service or office psychotherapy notes or narratives.
   2. Psychological examination report and notes.
   3. Other service documentation as applicable.

(9) Clinic services:
   1. Service or office notes or narratives.
   2. Procedure, laboratory, or test orders and results.
   3. Nurses’ notes.
   4. Prescriptions.
   5. Medication administration records.
(10) Services provided by rural health clinics or federally qualified health centers:
1. Service or office notes or narratives.
2. Form 470–2942, Prenatal Risk Assessment.
3. Procedure, laboratory, or test orders and results.
4. Immunization records.

(11) Services provided by community mental health centers:
1. Service referral documentation.
2. Initial evaluation.
3. Individual treatment plan.
4. Service or office notes or narratives.
5. Narratives related to the peer review process and peer review activities related to a member’s treatment.
6. Written plan for accessing emergency services.
7. Other service documentation as applicable.

(12) Screening center services:
1. Service or office notes or narratives.
2. Immunization records.
3. Laboratory reports.
4. Results of health, vision, or hearing screenings.

(13) Family planning services:
1. Service or office notes or narratives.
2. Procedure, laboratory, or test orders and results.
3. Nurses’ notes.
4. Immunization records.
5. Consent forms.
6. Prescriptions.
7. Medication administration records.

(14) Maternal health center services:
1. Service or office notes or narratives.
2. Procedure, laboratory, or test orders and results.

(15) Birthing center services:
1. Service or office notes or narratives.
2. Form 470–2942, Prenatal Risk Assessment.

(16) Ambulatory surgical center services:
1. Service notes or narratives (history and physical, consultation, operative report, discharge summary).
2. Physician orders.
3. Consent forms.
4. Anesthesia records.
5. Pathology reports.
6. Laboratory and X-ray reports.
(17) Hospital services:
   1. Physician orders.
   2. Service notes or narratives (history and physical, consultation, operative report, discharge summary).
   3. Progress or status notes.
   4. Diagnostic procedures, including laboratory and X-ray reports.
   5. Pathology reports.
   6. Anesthesia records.
   7. Medication administration records.

(18) State mental hospital services:
   1. Service referral documentation.
   2. Resident assessment and initial evaluation.
   3. Individual comprehensive treatment plan.
   4. Service notes or narratives (history and physical, therapy records, discharge summary).
   5. Form 470–0042, Case Activity Report.
   6. Medication administration records.

(19) Services provided by skilled nursing facilities, nursing facilities, and nursing facilities for persons with mental illness:
   1. Physician orders.
   2. Progress or status notes.
   3. Service notes or narratives.
   4. Procedure, laboratory, or test orders and results.
   5. Nurses’ notes.
   6. Physical therapy, occupational therapy, and speech therapy notes.
   7. Medication administration records.

(20) Services provided by intermediate care facilities for persons with mental retardation:
   1. Physician orders.
   2. Progress or status notes.
   3. Preliminary evaluation.
   5. Individual program plan.
   6. Form 470–0374, Resident Care Agreement.
   7. Program documentation.
   8. Medication administration records.
   9. Nurses’ notes.

(21) Services provided by psychiatric medical institutions for children:
   1. Physician orders or court orders.
   2. Independent assessment.
   3. Individual treatment plan.
   4. Service notes or narratives (history and physical, therapy records, discharge summary).
   5. Form 470–0042, Case Activity Report.
   6. Medication administration records.
(22) Hospice services:
1. Physician certifications for hospice care.
2. Form 470–2618, Election of Medicaid Hospice Benefit.
3. Form 470–2619, Revocation of Medicaid Hospice Benefit.
5. Physician orders.
6. Progress or status notes.
7. Service notes or narratives.
8. Medication administration records.

(23) Services provided by rehabilitation agencies:
1. Physician orders.
2. Initial certification, recertifications, and treatment plans.
3. Narratives from treatment sessions.
4. Treatment and daily progress or status notes and forms.

(24) Home– and community–based habilitation services:
1. Notice of decision for service authorization.
2. Service plan (initial and subsequent).
3. Service notes or narratives.
4. Other service documentation as applicable.

(25) Behavioral health intervention:
1. Order for services.
2. Comprehensive treatment or service plan (initial and subsequent).
3. Service notes or narratives.
4. Other service documentation as applicable.

(26) Services provided by area education agencies and local education agencies:
1. Service notes or narratives.
2. Individualized education program (IEP).
3. Individual health plan (IHP).

(27) Home health agency services:
1. Plan of care or plan of treatment.
2. Certifications and recertifications.
3. Service notes or narratives.
4. Physician orders or medical orders.

(28) Services provided by independent laboratories:
1. Laboratory reports.
2. Physician order for each laboratory test.

(29) Ambulance services:
1. Documentation on the claim or run report supporting medical necessity of the transport.
2. Documentation supporting mileage billed.
Iowa Administrative Code 441-79.3 and 79.4

(30) Services of lead investigation agencies:
1. Service notes or narratives.
2. Child’s lead level logs (including laboratory results).
3. Written investigation reports to family, owner of building, child’s medical provider, and local childhood lead poisoning prevention program.
4. Health education notes, including follow–up notes.

(31) Medical supplies:
1. Prescriptions.
3. Prior authorization documentation.
4. Medical equipment invoice or receipt.

(32) Orthopedic shoe dealer services:
1. Service notes or narratives.
2. Prescriptions.
3. Certifying physician’s statement.

(33) Case management services, including HCBS case management services:
2. Notice of decision for service authorization.
3. Service notes or narratives.
4. Social history.
5. Comprehensive service plan.
6. Reassessment of member needs.
7. Incident reports in accordance with 441- subrule 24.4(5).
8. Other service documentation as applicable.

(34) Early access service coordinator services:
1. Individualized family service plan (IFSP).
2. Service notes or narratives.

(35) Home– and community–based waiver services, other than case management:
1. Notice of decision for service authorization.
2. Service plan.
3. Service logs, notes, or narratives.
4. Mileage and transportation logs.
5. Log of meal delivery.
6. Invoices or receipts.
8. Other service documentation as applicable.

(36) Physical therapist services:
1. Physician order for physical therapy.
2. Initial physical therapy certification, recertifications, and treatment plans.
3. Treatment notes and forms.
4. Progress or status notes.
(37) Chiropractor services:
1. Service or office notes or narratives.
2. X-ray results.

(38) Hearing aid dealer and audiologist services:
1. Physician examinations and audiological testing (Form 470–0361, Sections A, B, and C).
2. Documentation of hearing aid evaluation and selection (Form 470–0828).
3. Waiver of informed consent.
4. Prior authorization documentation.
5. Service or office notes or narratives.

(39) Behavioral health services:
1. Assessment.
2. Individual treatment plan.
3. Service or office notes or narratives.
4. Other service documentation as applicable.

(40) Health home services:
2. Care coordination and health promotion plan.
3. Comprehensive transitional care plan, including appropriate follow-up, from inpatient to other settings.
4. Documentation of member and family support (including authorized representatives).
5. Documentation of referral to community and social support services, if relevant.

(41) Services of public health agencies:
1. Service or office notes or narratives.
2. Immunization records.
3. Results of communicable disease testing.

(42) Community-based neurobehavioral rehabilitation residential services and community-based neurobehavioral rehabilitation intermittent services:
1. Department-approved standardized neurobehavioral assessment tool.
2. Community-based neurobehavioral treatment order.
3. Treatment plan.
4. Clinical records documenting diagnosis and treatment history.
5. Progress or status notes.
6. Service notes or narratives.
7. Procedure, laboratory, or test orders and results.
8. Therapy notes including but not limited to occupational therapy, physical therapy, and speech-language pathology services as applicable.
9. Medication administration records.
10. Other service documentation as applicable.

(43) Child care medical services:
1. Plan of care.
2. Certification and recertification.
3. Service notes or narratives.
4. Physician orders or medical orders.
5. Abbreviation list (a copy of the abbreviation list utilized within the member’s record).
6. If initials or incomplete signatures are noted within the member’s record, a signature log (a typed listing of each provider’s name, including initials, professional credentials and title, followed by the individual provider’s signature).

(44) Crisis response services, crisis stabilization community-based services and crisis stabilization residential services:
1. Physicians orders or court orders.
2. Independent assessment.
3. Individual treatment plan.
4. Service notes or narratives (history and physical, therapy records, discharge summary).
5. Medication administration records (residential services).

(45) Subacute mental health services:
1. Assessment.
2. Individual stabilization plan.
3. Service notes or narratives (history and physical, therapy records, discharge summary).
4. Medication administration records (residential services).

e. Corrections. A provider may correct the medical record before submitting a claim for reimbursement.
   (1) Corrections must be made or authorized by the person who provided the service or by a person who has first-hand knowledge of the service.
   (2) A correction to a medical record must not be written over or otherwise obliterate the original entry. A single line may be drawn through erroneous information, keeping the original entry legible. In the case of electronic records, the original information must be retained and retrievable.
   (3) Any correction must indicate the person making the change and any other person authorizing the change, must be dated and signed by the person making the change, and must be clearly connected with the original entry in the record.
   (4) If a correction made after a claim has been submitted affects the accuracy or validity of the claim, an amended claim must be submitted.

79.3(3) Maintenance requirement. The provider shall maintain records as required by this rule:
   a. During the time the member is receiving services from the provider.
   b. For a minimum of five years from the date when a claim for the service was submitted to the medical assistance program for payment.
   c. As may be required by any licensing authority or accrediting body associated with determining the provider’s qualifications.

79.3(4) Availability. Rescinded IAB 1/30/08, effective 4/1/08.

This rule is intended to implement Iowa Code section 249A.4.
Reviews and audits.

Definitions.

“Authorized representative,” within the context of this rule, means the person appointed to carry out audit or review procedures, including assigned auditors, reviewers or agents contracted for specific audits, reviews, or audit or review procedures.

“Claim” means each record received by the department or the Iowa Medicaid enterprise that states the amount of requested payment and the service rendered by a specific and particular Medicaid provider to an eligible member.

“Clinical record” means a legible electronic or hard-copy history that documents the criteria established for medical records as set forth in rule 441—79.3(249A). A claim form or billing statement does not constitute a clinical record.

“Confidence level” means the statistical reliability of the sampling parameters used to estimate the proportion of payment errors (overpayment and underpayment) in the universe under review.

“Customary and prevailing fee” means a fee that is both (1) the most consistent charge by a Medicaid provider for a given service and (2) within the range of usual charges for a given service billed by most providers with similar training and experience in the state of Iowa.

“Extrapolation” means that the total amount of overpayment or underpayment will be determined by using sample data meeting the confidence level requirement.

“Fiscal record” means a legible electronic or hard-copy history that documents the criteria established for fiscal records as set forth in rule 441—79.3(249A). A claim form or billing statement does not constitute a fiscal record.

“Overpayment” means any payment or portion of a payment made to a provider that is incorrect according to the laws and rules applicable to the Medicaid program and that results in a payment greater than that to which the provider is entitled.

“Procedure code” means the identifier that describes medical or remedial services performed or the supplies, drugs, or equipment provided.

“Random sample” means a statistically valid random sample for which the probability of selection for every item in the universe is known.

“Underpayment” means any payment or portion of a payment not made to a provider for services delivered to eligible members according to the laws and rules applicable to the Medicaid program and to which the provider is entitled.

“Universe” means all items or claims under review or audit during the period specified by the audit or review.
79.4(2) Audit or review of clinical and fiscal records by the department. Any Medicaid provider may be audited or reviewed at any time at the discretion of the department.

a. Authorized representatives of the department shall have the right, upon proper identification, to audit or review the clinical and fiscal records of the provider to determine whether:
   (1) The department has correctly paid claims for goods or services.
   (2) The provider has furnished the services to Medicaid members.
   (3) The provider has retained clinical and fiscal records that substantiate claims submitted for payment.
   (4) The goods or services provided were in accordance with Iowa Medicaid policy.

b. Requests for provider records by the Iowa Medicaid enterprise program integrity unit shall include Form 470-4479, Documentation Checklist, which is available at [www.ime.state.ia.us/Providers/Forms.html](http://www.ime.state.ia.us/Providers/Forms.html), listing the specific records that must be provided for the audit or review pursuant to paragraph 79.3(2)“d” to document the basis for services or activities provided.

c. Records generated and maintained by the department may be used by auditors or reviewers and in all proceedings of the department.

79.4(3) Audit or review procedures. The department will select the method of conducting an audit or review and will protect the confidential nature of the records being audited or reviewed. The provider may be required to furnish records to the department. Unless the department specifies otherwise, the provider may select the method of delivering any requested records to the department.

a. Upon a written request for records, the provider must submit all responsive records to the department or its authorized agent within 30 calendar days of the mailing date of the request, except as provided in paragraph “b.”

b. Extension of time limit for submission.
   (1) The department may grant an extension to the required submission date of up to 15 calendar days upon written request from the provider or the provider’s designee. The request must:
      1. Establish good cause for the delay in submitting the records; and
      2. Be received by the department before the date the records are due to be submitted.
   (2) For purposes of these rules, “good cause” has the same meaning as in Iowa Rule of Civil Procedure 1.977.
   (3) The department may grant a request for an extension of the time limit for submitting records at its discretion. The department shall issue a written notice of its decision.
   (4) The provider may appeal the department’s denial of a request to extend the time limit submission of requested records according to the procedures in 441—Chapter 7.

c. The department may elect to conduct announced or unannounced on-site reviews or audits. Records must be provided upon request and before the end of the on-site review or audit.
   (1) For an announced on-site review or audit, the department’s employee or authorized agent may give as little as one day’s advance notice of the review or audit and the records and supporting documentation to be reviewed.
   (2) Notice is not required for unannounced on-site reviews and audits.
   (3) In an on-site review or audit, the conclusion of that review or audit shall be considered the end of the period within which to produce records.
Audit or review procedures may include, but are not limited to, the following:

(1) Comparing clinical and fiscal records with each claim.
(2) Interviewing members who received goods or services and employees of providers.
(3) Examining third-party payment records.
(4) Comparing Medicaid charges with private-patient charges to determine that the charge to Medicaid is not more than the customary and prevailing fee.
(5) Examining all documents related to the services for which Medicaid was billed.

e. Use of statistical sampling techniques. The department’s procedures for auditing or reviewing Medicaid providers may include the use of random sampling and extrapolation.

(1) A statistically valid random sample will be selected from the universe of records to be audited or reviewed. The sample size shall be selected using accepted sample size estimation methods. The confidence level of the sample size calculation shall not be less than 95 percent.
(2) Following the sample audit or review, the statistical margin of error of the sample will be computed, and a confidence interval will be determined. The estimated error rate will be extrapolated to the universe from which the sample was drawn within the computed margin of error of the sampling process.
(3) Commonly accepted statistical analysis programs may be used to estimate the sample size and calculate the confidence interval, consistent with the sampling parameters.
(4) The audit or review findings generated through statistical sampling procedures shall constitute prima facie evidence in all department proceedings regarding the number and amount of overpayments or underpayments received by the provider.

79.4(4) Preliminary report of audit or review findings. If the department concludes from an audit or review that an overpayment has occurred, the department will issue a preliminary finding of a tentative overpayment and inform the provider of the opportunity to request a reevaluation.

79.4(5) Disagreement with audit or review findings. If a provider disagrees with the preliminary finding of a tentative overpayment, the provider may request a reevaluation by the department and may present clarifying information and supplemental documentation.

a. Reevaluation request. A request for reevaluation must be submitted in writing within 15 calendar days of the date of the notice of the preliminary finding of a tentative overpayment. The request must specify the issues of disagreement.

(1) If the audit or review is being performed by the Iowa Medicaid enterprise surveillance and utilization review services unit, the request should be addressed to: IME SURS Unit, P.O. Box 36390, Des Moines, Iowa 50315.
(2) If the audit or review is being performed by any other departmental entity, the request should be addressed to: Iowa Department of Human Services, Attention: Fiscal Management Division, Hoover State Office Building, 1305 E. Walnut Street, Des Moines, Iowa 50319-0114.

b. Additional information. A provider that has made a reevaluation request pursuant to paragraph “a” of this subrule may submit clarifying information or supplemental documentation that was not previously provided. This information must be received at the applicable address within 30 calendar days of the mailing of the preliminary finding of a tentative overpayment to the provider, except as provided in paragraph “c” of this subrule.
c. Disagreement with sampling results. When the department’s audit or review findings have been generated through sampling and extrapolation and the provider disagrees with the findings, the burden of proof of compliance rests with the provider. The provider may present evidence to show that the sample was invalid. The evidence may include a 100 percent audit or review of the universe of provider records used by the department in the drawing of the department’s sample. Any such audit or review must:

1. Be arranged and paid for by the provider.
2. Be conducted by an individual or organization with expertise in coding, medical services, and Iowa Medicaid policy if the issues relate to clinical records.
3. Be conducted by a certified public accountant if the issues relate to fiscal records.
4. Demonstrate that bills and records that were not audited or reviewed in the department’s sample are in compliance with program regulations.
5. Be submitted to the department with all supporting documentation within 60 calendar days of the mailing of the preliminary finding of a tentative overpayment to the provider.

79.4(6) Finding and order for repayment. Upon completion of a requested reevaluation or upon expiration of the time to request reevaluation, the department shall issue a finding and order for repayment of any overpayment and may immediately begin withholding payments on other claims to recover any overpayment.

79.4(7) Appeal by provider of care. A provider may appeal the finding and order of repayment and withholding of payments pursuant to 441—Chapter 7. However, an appeal shall not stay the withholding of payments or other action to collect the overpayment. Records not provided to the department during the review process set forth in subrule 79.4(3) or 79.4(5) shall not be admissible in any subsequent contested case proceeding arising out of a finding and order for repayment of any overpayment identified under subrule 79.4(6). This provision does not preclude providers that have provided records to the department during the review process set forth in subrule 79.4(3) or 79.4(5) from presenting clarifying information or supplemental documentation in the appeals process in order to defend against any overpayment identified under subrule 79.4(6). This provision is intended to minimize potential duplication of effort and delay in the audit or review process, minimize unnecessary appeals, and otherwise forestall fraud, waste, and abuse in the Iowa Medicaid program.

This rule is intended to implement Iowa Code section 249A.4.