



April 3, 2017

**PRIVATE AND CONFIDENTIAL**

Ms. Karen Connell  
Operations Division Administrator  
Iowa Veterans Home  
1301 Summit Street  
Marshalltown, IA 50150

Dear Karen:

This letter is written as a follow-up to your recent communications with Cynthia Swanson regarding the Iowa Veterans Home's (IVH's) interest in Seim Johnson conducting quarterly onsite meetings to discuss issues related to coding/billing of services performed and billed by IVH practitioners, documentation, compliance and other healthcare issues. We appreciate the opportunity to submit this proposal to you for your consideration.

**PROJECT OBJECTIVES**

We understand the overall objectives of this project will be to meet with the IVH staff to assess, analyze and discuss practitioner coding/billing of services performed by IVH practitioners, documentation, compliance and other healthcare issues. We will include a review of a small sample of patient cases to determine the appropriateness of coding based on corresponding medical record documentation. If requested, we will provide training for IVH staff. Meetings will be scheduled on a quarterly (or, as necessary) basis.

The specific objectives will be to:

- Assess the accuracy of coding and reporting of IVH practitioner services and corresponding medical record documentation.
- Discuss IVH's internal standards, policies, procedures, reporting, operational processes, compliance and other healthcare issues.
- Discuss the analysis findings and recommendations to improve ongoing coding, billing documentation and operational processes.
- If requested, provide training for IVH staff, on an as needed basis.

**PROJECT SCOPE AND APPROACH**

To accomplish the objectives we will perform the following work steps:

1. We will review a non-statistical, small sample of coding/billing cases for services performed by IVH practitioners for the time period you would like reviewed. The sample will include a review of selected service codes and corresponding medical records.



- a. We will utilize the "Coding and Documentation Integrity" (CDI) tool our firm has developed for our coding and documentation compliance reviews.
2. We will discuss and review, as applicable internal policies, procedures and operational processes.
3. At the conclusion of the onsite meeting, discuss with applicable IVH management staff our analysis findings and recommendations.
4. If requested, we will provide training for IVH staff.

Our engagement will be conducted in accordance with standards established by the American Institute of Certified Public Accountants. Because these procedures do not constitute an audit made in accordance with generally accepted auditing standards, we will not express an opinion on any of the specified elements or accounts referred to in our arrangements. This is not an audit. If we performed additional procedures or if we had conducted an audit of the specified elements, accounts or claims in accordance with generally accepted auditing standards, matters in addition to any findings and observations that may result from the procedures performed might have come to our attention and have been reported to you.

Our work in connection with the arrangements provided for in this letter does not constitute accounting or auditing services and does not include any procedures designed to discover errors, irregularities or illegal acts, including fraud or defalcations, should any exist.

### **PROJECT STAFFING**

Tom Schnack, CPA, will have primary responsibility in directing this project. Assisting in the project and performing the coding and billing analysis will be Cynthia Swanson, RN, CPC, CEMC, CHC, CPMA, AAPC ICD-10-CM Proficient, AAPC Fellow and Senior Manager, who is experienced in these types of projects and others in our healthcare consulting division, as necessary.

### **PROJECT TIMING**

We will schedule the one day (8 hours) onsite meeting(s) based on dates and times convenient for and recommended by IVH staff on a quarterly (or, as necessary) basis.

### **FEES**

Our fees are based on the time required by the individuals assigned to the engagement, plus direct expenses. Interim billings will be submitted as work progresses and as expenses are incurred. Payments are due upon receipt of billings. We have listed below our hourly healthcare consulting rates.

Partner.....	\$350
Senior Manager .....	\$290 - \$300
Manager .....	\$145 - \$190
Senior .....	\$120 - \$135
Experienced Staff .....	\$ 80 - \$100



We estimate our fees for this project to be as follows:

Preparation for and onsite meeting (8 hours) on a quarterly (or, as necessary) basis to discuss coding, billing, compliance, operational processes, Medicare regulatory requirements related to the reporting of IVH practitioner services and other healthcare issues, including chart review of selected patient cases	\$2,400 - \$2,600 per meeting, depending on time spent
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Additional services and follow-up discussions, communications will be billed at our normal hourly consulting rates and any out-of-pocket expenses for related travel.

A signed HIPAA Business Associate Agreement dated January 30, 2017 between IVH and Seim Johnson is on file.

During the course of our engagement, we may accumulate records containing data that should be reflected in your books and records. You will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect Seim Johnson to maintain copies of such records in our possession. Our firm policy is to not retain workpaper files permanently, but to destroy them in accordance with our record retention policy.

In the event Seim Johnson is requested or authorized by IVH or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for IVH, IVH will, so long as we are not party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

We look forward to this opportunity to work with you and IVH staff on this project. Please be assured of our personal commitment of providing you with the very best of professional services.

This letter constitutes the complete and exclusive statement of agreement between Seim Johnson, and IVH superseding all proposals oral or written and all other communications, with respect to the terms of the engagement between the parties.

We believe that most disagreements can be resolved to mutual satisfaction in a friendly, non-threatening environment. While we do not expect there to be any problems whatsoever with our relationship, misunderstandings can occur. Therefore, we agree that any dispute arising under this agreement (including the scope, nature and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties, shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceeding shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall



be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

We appreciate the opportunity to assist you with this important project. If the arrangements outlined above in this letter are satisfactory, please sign the enclosed copy of this letter in the space provided and return it to us in the enclosed envelope.

Should you have any questions, please contact me at (402) 330-2660 and I will be pleased to discuss them with you.

Sincerely,

SEIM JOHNSON, LLP

A handwritten signature in black ink that reads 'Tom H. Schnack'.

Tom H. Schnack

THS:lz  
Enclosure

**Accepted: IOWA VETERANS HOME**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_