American Hospital Association

Medicare RACs 2010: Hospital Experience and Beyond
Overview

- Permanent RAC Program
- Early Problems in RAC Permanent Program
- RAC Websites
- AHA Resources
- Expanded Program Integrity in Health Reform
The **National** Medicare RAC Program
RACs Are Active Nationwide

• RAC program implemented nationwide
• Automated and Complex Audits underway
• As of April 22, RACs have submitted 500 total audit requests to CMS; 399 have been approved
  – Including 276 hospital inpatient and outpatient issues
    • Region A (DCS): 7 hospital issues
    • Region B (CGI): 69 hospital issues
    • Region C (Connolly): 140 hospital issues
    • Region D (HDI): 60 hospital issues
  – Most hospital audits are DRG validations
More RAC Activity to Come

• Coding validations—CMS recently approved five coding validation audits (not posted yet)
• CMS close to approving a Medical Necessity Review—not IPPS or OPPS
• Health Care Reform expands RACs to Medicaid and Medicare Parts C and D by December 31, 2010
• CMS indicates they are working to coordinate RAC expansion with the Medicaid Integrity Program
Early Problems in the Permanent RAC Program
RAC—Things to Watch Out For!

- Additional documentation requests (ADRs) going to the wrong address
- Multiple ADR letters in 45 day period
- RACs reviewing claims currently under review by another Medicare contractor
- CAHs receiving ADR requests related to DRG validations
- Concerns about RAC re-review of records
- The RAC in Region C is receiving 80% of medical records in 45-47 days
- Medical record tracking problem
RAC Websites
For all payers of healthcare claims, protecting against lost revenues is crucial. With the industry’s premier audit and recovery capability, DCS is the answer. Learn more.
**Region B—New Issue Review Page**

### Medicare RAC Region B Web Site

![Medicare RAC Region B Web Site](image)

**RACB: Issues**

<table>
<thead>
<tr>
<th>Issue Name</th>
<th>Issue Type</th>
<th>Claim Types</th>
<th>States</th>
<th>Date Approved</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute Respiratory Failure: MS-DRG 189  (At this time, Medical Necessity is excluded from review.)</td>
<td>Complex</td>
<td>Inpatient</td>
<td>IL, IN, KY, MI, MN, OH, WI</td>
<td>1/11/2010</td>
<td>Details</td>
</tr>
<tr>
<td>Blood Transfusions</td>
<td>Automated</td>
<td>Outpatient Hospital, Physician</td>
<td>IL, IN, KY, MI, MN, OH, WI</td>
<td>8/14/2009</td>
<td>Details</td>
</tr>
<tr>
<td>Bronchoscopy Services</td>
<td>Automated</td>
<td>Outpatient Hospital, Physician</td>
<td>IL, IN, KY, MI, MN, OH, WI</td>
<td>8/14/2009</td>
<td>Details</td>
</tr>
<tr>
<td>CAD versus Unstable Angina MS-DRG 311  (At this time, Medical Necessity is excluded from review)</td>
<td>Complex</td>
<td>Inpatient</td>
<td>IL, IN, KY, MI, MN, OH, WI</td>
<td>3/12/2010</td>
<td>Details</td>
</tr>
<tr>
<td>Cardiac arrhythmia &amp; conduction disorders w MCC or w CC DRG 138, MSTDG 308, 309 (At this time, Medical Necessity is excluded from review)</td>
<td>Complex</td>
<td>Inpatient</td>
<td>IL, IN, KY, MI, MN, OH, WI</td>
<td>12/4/2009</td>
<td>Details</td>
</tr>
</tbody>
</table>

*American Hospital Association*
Region C—Provider Contact Info

Provider Contact Information

Providers, please use one of the forms to identify your point of contact for the RAC audit. Contact information will be used by Connolly Healthcare for all RAC program related correspondence, including but not limited to demand letters and medical record request letters.

Complete the form below for each of your serving providers and fax back to 203.520.2995.

> Download the provider contact form [Download pdf]

For those serving many providers/NPIs you may choose to download the Excel spreadsheet version below. Fill in the fields within the spreadsheet and email back to: RACinfo@connollyhealthcare.com.

> Download the multi-provider contact spreadsheet [Download Excel document]

Connolly Healthcare correspondence can be clearly identified via the official Connolly Healthcare CMS letterhead.

Sample Connolly Correspondence:

> Automated Review Demand Letter [Download pdf]

> Complex Review Demand Letter [Download pdf]
### Region D—Medical Record Tracking

**New Issues Approved by CMS**

All new issues that are identified by HDI must first be approved by CMS.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Number</th>
<th>Claim Type</th>
<th>Date Approved</th>
<th>Region D States</th>
<th>Region D MACs</th>
<th>Dates of Service</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newborn Pediatric CPT Codes Billed for Pts Exceeding Age Limit</td>
<td>Certain service codes are specific to patients of a specific age and should not be applied/billed for patients which exceed the age limit defined by the CPT Code.</td>
<td>D000312009</td>
<td>PART A OP PART B</td>
<td>06/17/2009</td>
<td>All</td>
<td>AB NACs Pts Carriers</td>
<td>Applies to claims paid on or after October 1, 2007</td>
<td>American Medical Association, Current Procedural Terminology 2008, 2009</td>
</tr>
<tr>
<td>Once in a Lifetime</td>
<td>Certain procedures are only performed once in a persons lifetime. Query identifies claims paid for those procedures for more than one service date.</td>
<td>D000322009</td>
<td>PART A OP PART B</td>
<td>06/11/2009</td>
<td>All</td>
<td>AB NACs Pts Carriers</td>
<td>Applies to claims paid on or after October 1, 2007</td>
<td>CMS Pub 1</td>
</tr>
<tr>
<td>Excessive Units-Unlimited Codes</td>
<td>When reporting service units for unlimited codes (excluding Modifiers -XX, and -99) where the procedure is not defined by a specific timeframe, the provider should enter a 1 in the Units bill column per date of service.</td>
<td>D000332009</td>
<td>PART A OP PART B</td>
<td>06/26/2009</td>
<td>All</td>
<td>AB NACs Pts Carriers</td>
<td>Applies to claims paid on or after October 1, 2007</td>
<td>Federal Register Volume 67 (11/01/02) 66666, ProgMem/Intermed</td>
</tr>
<tr>
<td>Excessive Units-Blood Transfusions</td>
<td>Blood Transfusions should be billed with a maximum of (1) unit per patient per date of service.</td>
<td>D000342009</td>
<td>PART A OP PART B</td>
<td>06/24/2009</td>
<td>All</td>
<td>AB NACs Pts Carriers</td>
<td>Applies to claims paid on or after October 1, 2007</td>
<td></td>
</tr>
</tbody>
</table>

American Hospital Association
# Important Contact Information

## RAC Contact Information

<table>
<thead>
<tr>
<th>RAC</th>
<th>Web site</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAC D -- HDI</td>
<td><a href="https://racinfo.healthdatainsights.com/">https://racinfo.healthdatainsights.com/</a></td>
<td>1-866-590-5598 (Part A)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1-866-376-2319 (Part B)</td>
</tr>
</tbody>
</table>

## CMS RAC Project Officer Contact Information

<table>
<thead>
<tr>
<th>RAC</th>
<th>CMS RAC Project Officer</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAC A -- DCS</td>
<td>Ebony Brandon</td>
<td>1-866-201-0580</td>
<td><a href="mailto:Ebony.Brandon@cms.hhs.gov">Ebony.Brandon@cms.hhs.gov</a></td>
</tr>
<tr>
<td>RAC B -- CGI</td>
<td>Scott Wakefield</td>
<td>1-877-316-7222</td>
<td><a href="mailto:Scott.Wakefield@cms.hhs.gov">Scott.Wakefield@cms.hhs.gov</a></td>
</tr>
<tr>
<td>RAC C -- Connolly</td>
<td>Amy Reese</td>
<td>1-866-360-2507</td>
<td><a href="mailto:Amy.Reese@cms.hhs.gov">Amy.Reese@cms.hhs.gov</a></td>
</tr>
<tr>
<td>RAC D -- HDI</td>
<td>Brian Elza</td>
<td>1-866-590-5598 (Part A)</td>
<td><a href="mailto:Brian.Elza@cms.hhs.gov">Brian.Elza@cms.hhs.gov</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1-866-376-2319 (Part B)</td>
<td></td>
</tr>
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</table>
AHA Resources
AHA Resources

- AHA RAC Resources
  - www.aha.org/rac
  - Advisories
    - RAC Program Basics
    - Medicare Appeals Process
    - Coding & Documentation Strategies
    - Preparing for RAC Audits
- AHA RAC Education Series
AHA RACTrac Goals

1. Advocate for continued changes in the RAC program
   - Identify new issues and address issues not resolved from the demonstration program
   - Build the case—using real data—for program changes that reduce financial and administrative burdens

2. Educate the field
   - Help hospitals focus on specific challenges
   - Identifies problematic trends in RAC activity on a statewide, region-by-region and national basis

3. Make it simple for hospitals to report data to AHA for use in advocacy activities

We are all in this together
Initial RACTrac Findings

Nearly 63% of surveyed hospitals reported employing additional staff or hiring external resources to manage the RAC process.

Distribution of Administrative Burden
4th Quarter 2009

- Medical Records: 26%
- Admin/Clerical Staff: 26%
- RAC Coordinator: 22%
- Patient Financial Services: 14%
- Other Admin: 12%
Sign up for RACTrac Today

- Contact RACTrac Support to get your Registration Info
  - 1-888-722-8712 —or—
  - Ractracsupport@providercs.com

Use this information to register for RACTrac today

- Hospitals will be asked to submit data in July 2010 and at the beginning of each subsequent quarter

- For more information, including FREE claim level tracking tool:
  www.aha.org/aha/issues/RAC/ractrac.html
Expanded Program Integrity and Oversight in the Affordable Care Act
New Oversight Provisions

- Expansion of RACs to Medicare Part C and D
- Expansion of RACs to Medicaid
- Maximum time period to submit Medicare claims is reduced from 3 years to not more than 1 year from DOS (effective for services on or after Jan. 1, 2010)
- Independent monitor demo of SNFs and NFs
- New requirements for tax exempt hospitals
  - Community needs assessment once every 3 years
  - Limits on charges to those that qualify for financial assistance
  - Debt collection restraints
  - Reporting and disclosure
Program Integrity Provisions

- Provider screening upon application as new provider
- One PI – new required database matching of all program integrity efforts
- Civil Money Penalties – law expanded and penalty amounts increased
- Overpayments returned with 60 days
- Expanded False Claims Act and “whistleblower” provision
- New disclosure protocol for self referral law
- MORE MONEY