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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

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The National Medicare RAC Program

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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

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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

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Early Problems in the Permanent RAC Program

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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

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RAC Websites

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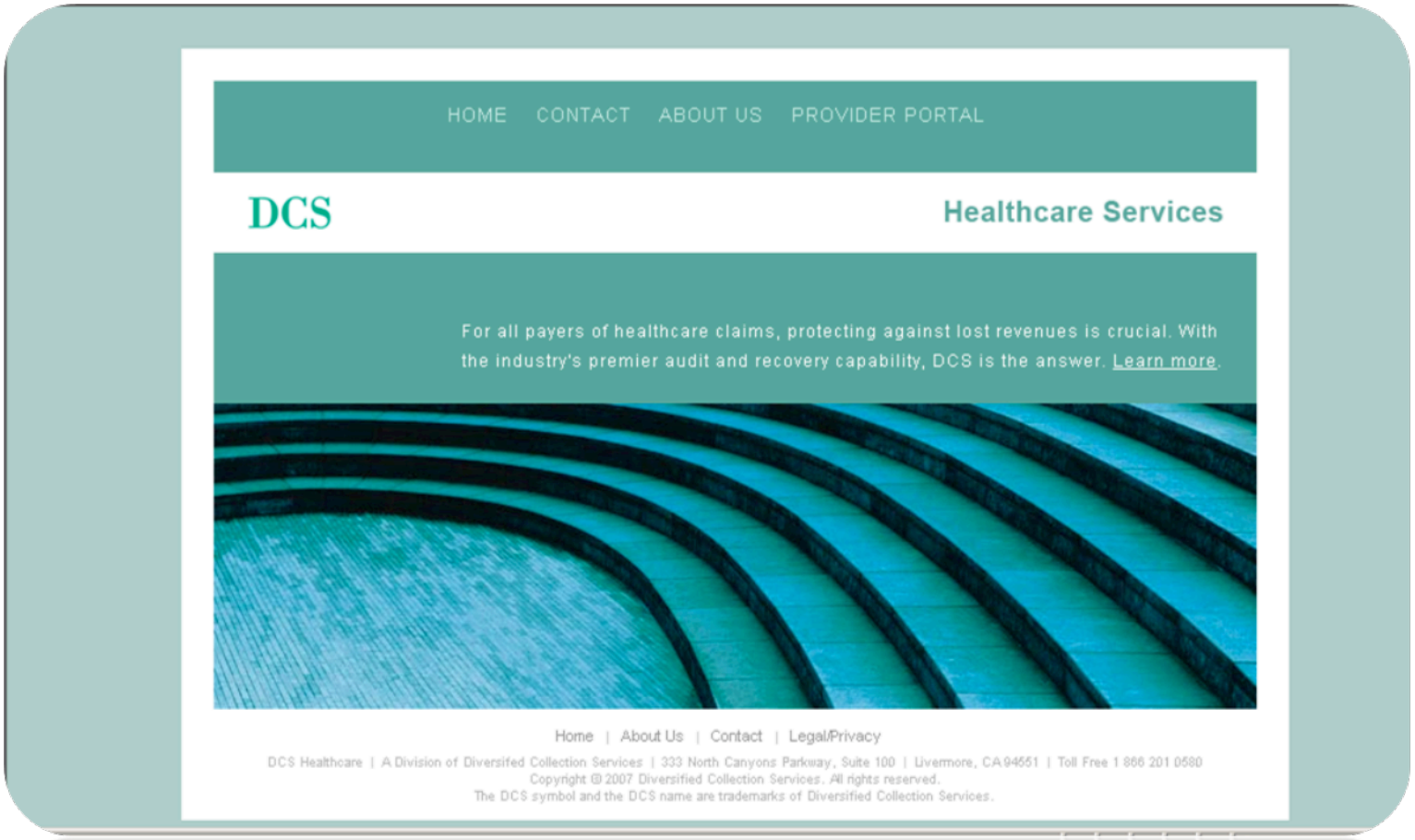
RAC Websites—Region A Home Page



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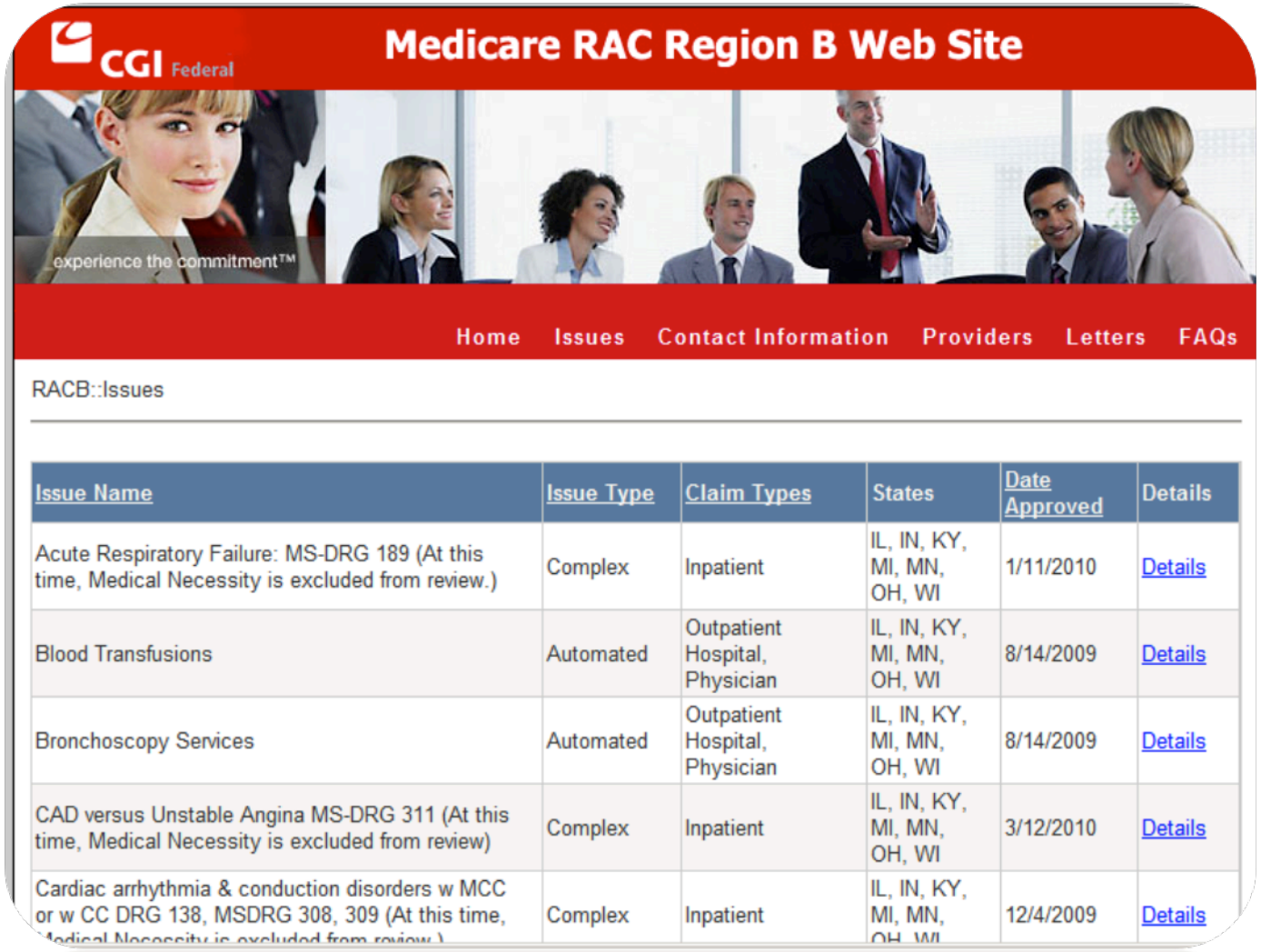
Region B—New Issue Review Page



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

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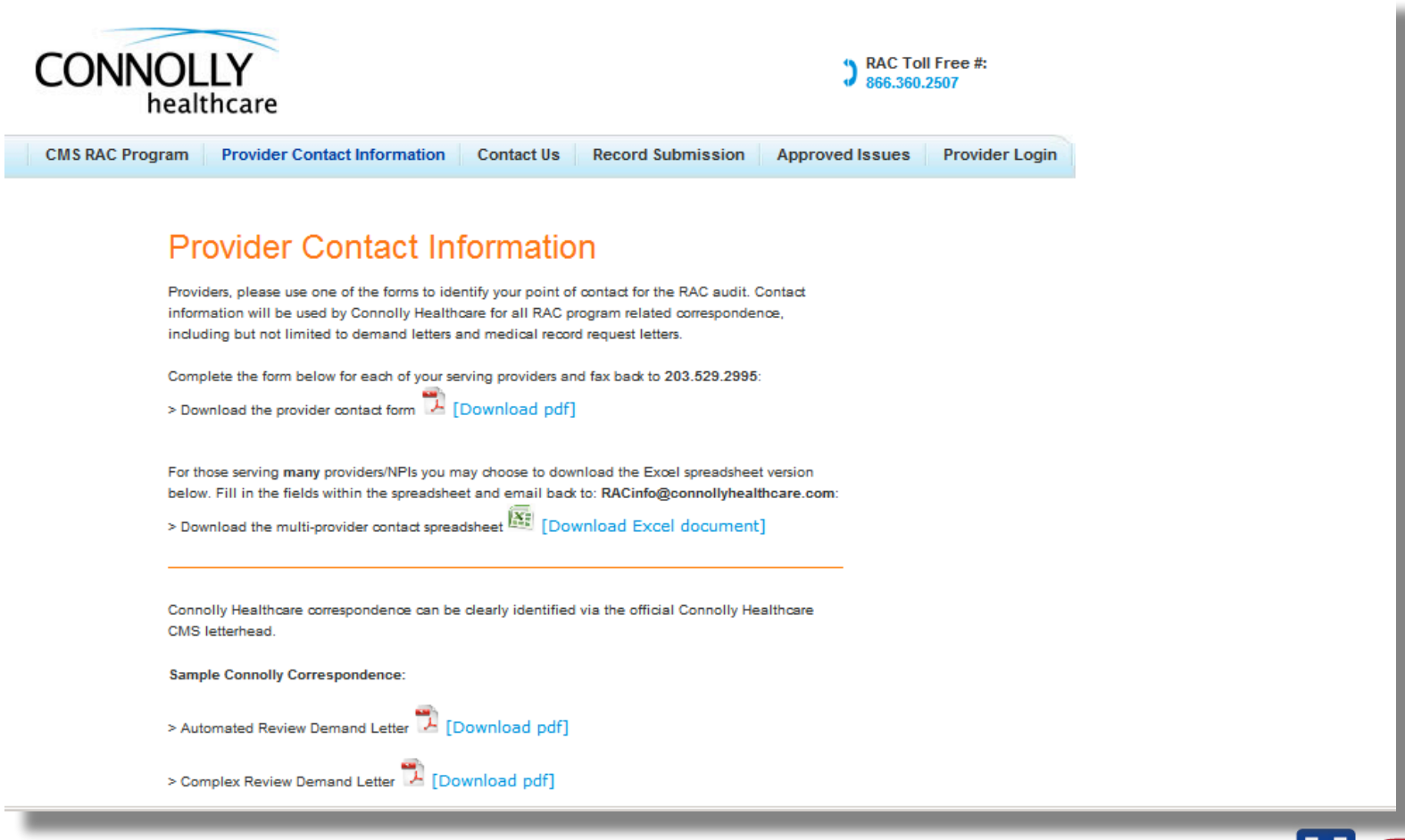
Region C—Provider Contact Info



CONNOLLY healthcare

RAC Toll Free #: 866.360.2507

CMS RAC Program | Provider Contact Information | Contact Us | Record Submission | Approved Issues | Provider Login

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 **203.529.2995**:

> 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]

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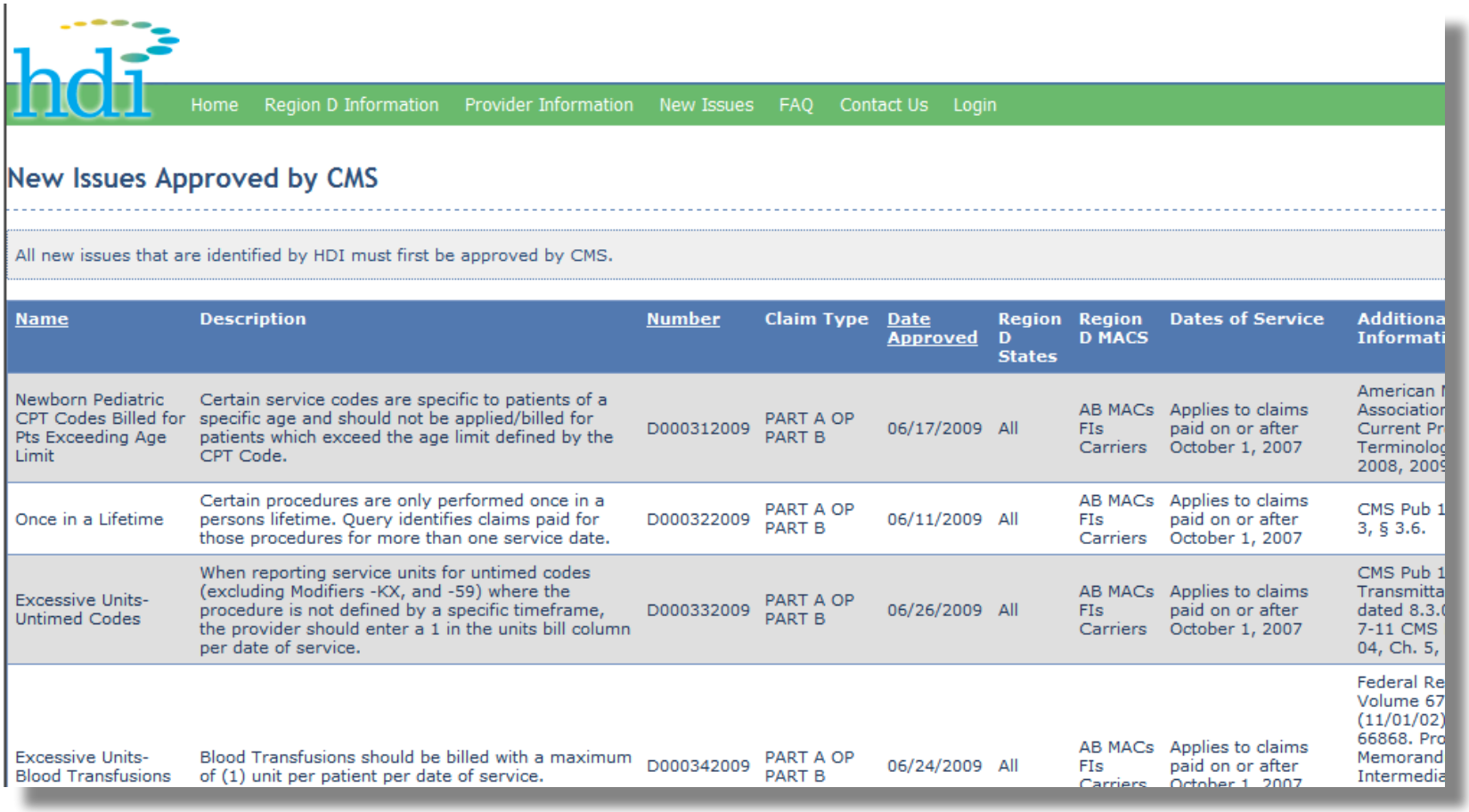
Region D—Medical Record Tracking



hdi

Home | Region D Information | Provider Information | New Issues | FAQ | Contact Us | Login

New Issues Approved by CMS

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

Name	Description	Number	Claim Type	Date Approved	Region D States	Region D MACS	Dates of Service	Additiona Informati
Newborn Pediatric CPT Codes Billed for Pts Exceeding Age Limit	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.	D000312009	PART A OP PART B	06/17/2009	All	AB MACs FIs Carriers	Applies to claims paid on or after October 1, 2007	American M Association Current Pr Terminolog 2008, 2009
Once in a Lifetime	Certain procedures are only performed once in a persons lifetime. Query identifies claims paid for those procedures for more than one service date.	D000322009	PART A OP PART B	06/11/2009	All	AB MACs FIs Carriers	Applies to claims paid on or after October 1, 2007	CMS Pub 1 3, § 3.6.
Excessive Units-Untimed Codes	When reporting service units for untimed codes (excluding Modifiers -KX, and -59) 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.	D000332009	PART A OP PART B	06/26/2009	All	AB MACs FIs Carriers	Applies to claims paid on or after October 1, 2007	CMS Pub 1 Transmitta dated 8.3.(7-11 CMS 04, Ch. 5,
Excessive Units-Blood Transfusions	Blood Transfusions should be billed with a maximum of (1) unit per patient per date of service.	D000342009	PART A OP PART B	06/24/2009	All	AB MACs FIs Carriers	Applies to claims paid on or after October 1, 2007	Federal Re Volume 67 (11/01/02) 66868. Pro Memorand Intermedia

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Important Contact Information

RAC Contact Information

RAC	Web site	Phone Number
RAC A -- DCS	http://www.dcsrac.com/portal.html	1-866-201-0580
RAC B -- CGI	http://racb.cgi.com/	1-877-316-7222
RAC C -- Connolly	http://www.connollyhealthcare.com/RAC	1-866-360-2507
RAC D -- HDI	https://racinfo.healthdatainsights.com/	1-866-590-5598 (Part A) 1-866-376-2319 (Part B)

CMS RAC Project Officer Contact Information

RAC	CMS RAC Project Officer	Phone Number	Email
RAC A -- DCS	Ebony Brandon	1-866-201-0580	Ebony.Brandon@cms.hhs.gov
RAC B -- CGI	Scott Wakefield	1-877-316-7222	Scott.Wakefield@cms.hhs.gov
RAC C -- Connolly	Amy Reese	1-866-360-2507	Amy.Reese@cms.hhs.gov
RAC D -- HDI	Brian Elza	1-866-590-5598 (Part A) 1-866-376-2319 (Part B)	Brian.Elza@cms.hhs.gov

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AHA Resources

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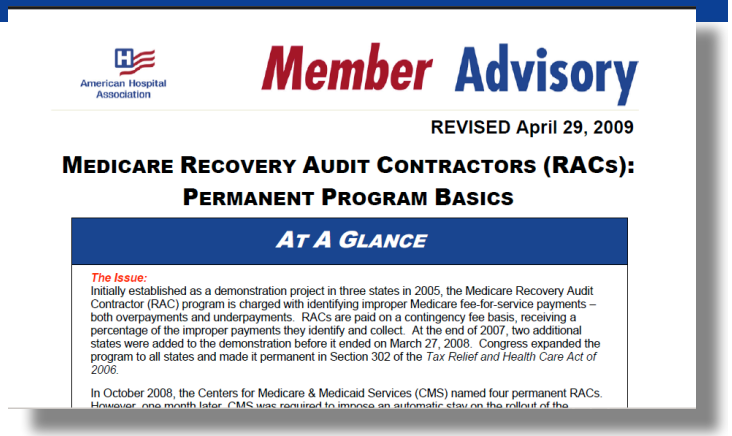
AHA Resources

- **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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Member Advisory

REVISED April 29, 2009

MEDICARE RECOVERY AUDIT CONTRACTORS (RACs): PERMANENT PROGRAM BASICS

AT A GLANCE

The Issue:
Initially established as a demonstration project in three states in 2005, the Medicare Recovery Audit Contractor (RAC) program is charged with identifying improper Medicare fee-for-service payments – both overpayments and underpayments. RACs are paid on a contingency fee basis, receiving a percentage of the improper payments they identify and collect. At the end of 2007, two additional states were added to the demonstration before it ended on March 27, 2008. Congress expanded the program to all states and made it permanent in Section 302 of the *Tax Relief and Health Care Act of 2006*.

In October 2008, the Centers for Medicare & Medicaid Services (CMS) named four permanent RACs.

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Member Advisory

March 3, 2008

RECOVERY AUDIT CONTRACTORS (RACs): PREPARING FOR RAC AUDITS

AT A GLANCE

The Issue:
The Medicare Recovery Audit Contractor (RAC) program is authorized by Congress to identify improper Medicare payments – both overpayments and underpayments. The RAC program began operation in three states (California, Florida and New York) under a demonstration program and has since been expanded to two additional states (Massachusetts and South Carolina). The Centers for Medicare & Medicaid Services (CMS) plans to roll out a permanent, nationwide RAC program by 2010. As part of its rollout strategy, CMS intends to award contracts to four regional RACs by this April and begin review activity in all states by January 2009. The *Medicare Recovery Audit*

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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

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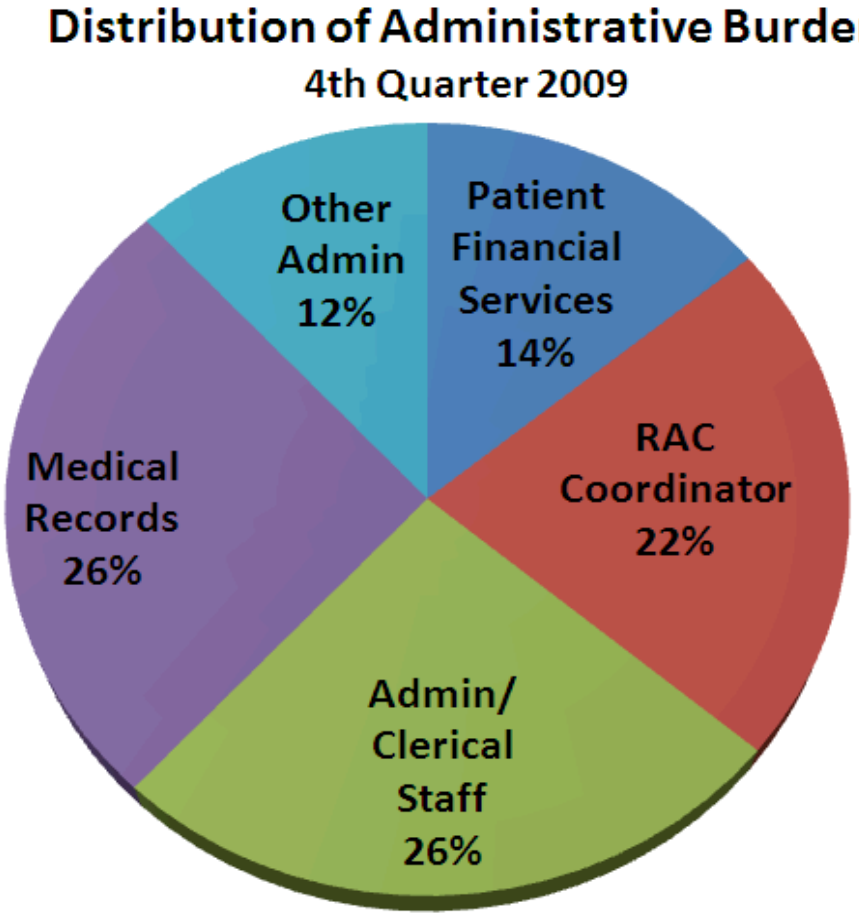
Initial RACTrac Findings

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



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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 *RAC*Trac 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

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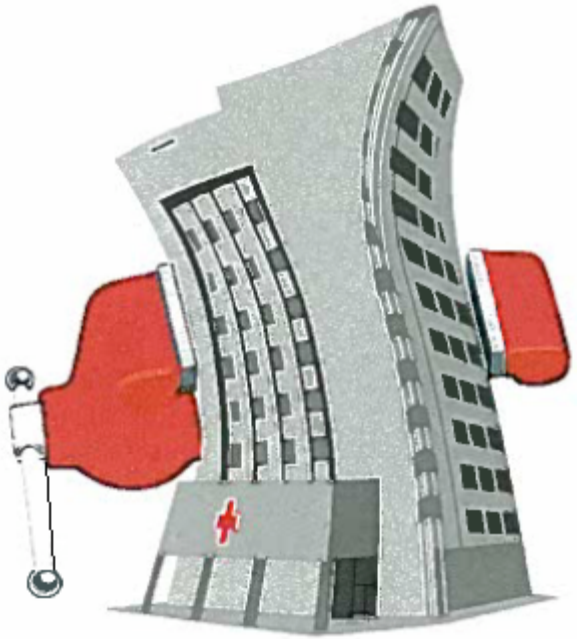

Expanded Program Integrity and Oversight in the Affordable Care Act

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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

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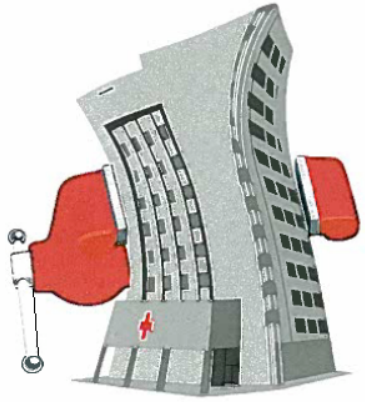
Program Integrity Provisions

- 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



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