



# Mount Sinai Medical Center Compliance Department

## Proactive Measures for a Good RAC Offense

**The Mount Sinai Hospital New York, New York**

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Appeals Management Departments***

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***“ If It Concern You, It Concerns Us ”***

# Introduction and Objectives

## Introduction

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Mount Sinai Medical Center

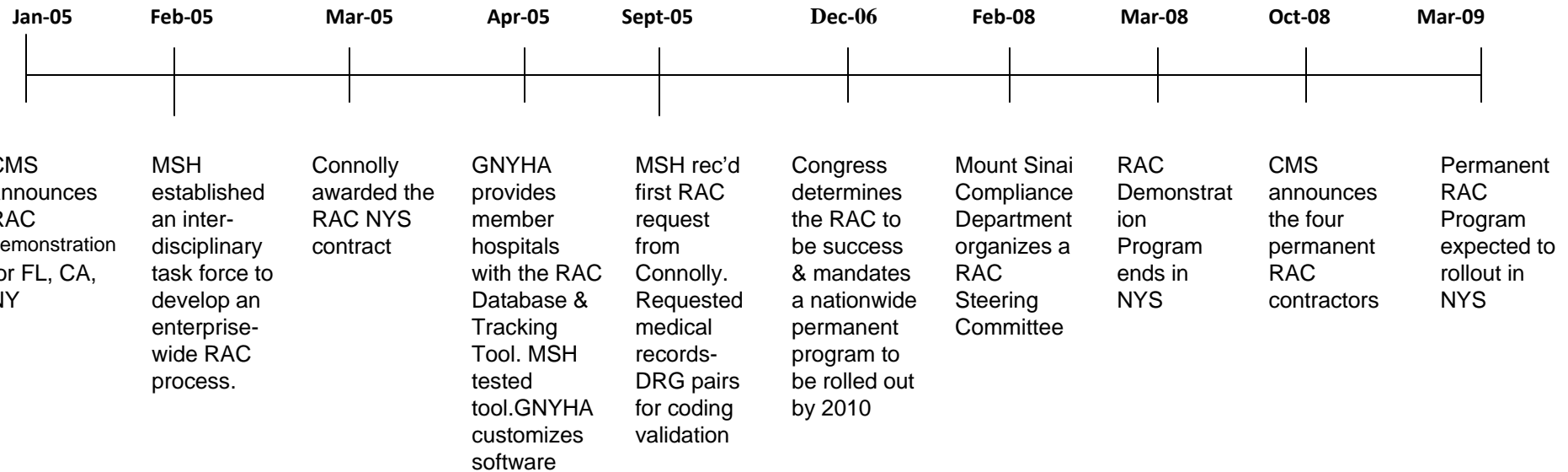
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## Objectives

- Provide insight to the benefits of an *Internal* RAC Committee
- Provide insight to the benefits of an *External* RAC Committee
- Communicate the importance of performing an institutional due diligence and subsequent coordination of process and tool development to assist your RAC initiative
- Analyze the Mount Sinai RAC experience
- Determine organizational next steps for the Permanent RAC

# Timeline and Key Dates



# Mount Sinai Inter-Disciplinary RAC Task Force Internal Due Diligence Process

**RAC Task Force charged with developing a process to support the RAC**

**Develop and select an electronic tool to manage and track the RAC**

**Review and Evaluation of Existing Processes**

- Where are external requests for records received? Determine all locations/Review all processes
- *I PRO, OIG, CERT, PERM, ADRs*, Medicare/Medicaid Fraud Unit -Do we handle any of these requests differently? Do we maintain copies of the records we send? Are they logged?
- Are the records reviewed before submission? What is reviewed?
- Is the record reviewed against the billing record?
- Is the record reviewed for medical necessity?
- Are all denials appealed, regardless of patient type?
- What is our appeal success rate by denial type?
- What can be improved? How?

# Mount Sinai Inter-Disciplinary RAC Task Force Internal Due Diligence Process (cont'd)

Our internal due diligence identified that there was no single existing Institutional process in place that would fully support the RAC demonstration. Therefore, a hybrid of the best attributes associated with **all** of the aforementioned processes/systems would need to be created to support the RAC. Additionally, we identified the need to simultaneously develop a standard method of communicating across the organization. We wanted to achieve this via a RAC database and tracking tool.

We approached the organizational RAC process by zero basing all functions, redefining them to be broader and to include communication amongst all business partners, de-silo the organization.

# Establishing RAC Communication Protocols and SOPs

## Internal

- We developed an internal RAC broadcast notification which identified:  
Who; What; Where and When - Upon receipt of **any** RAC communication.
- The Institutional RAC broadcast communication “triggered” the RAC process, which began with the logging in of the required RAC request & necessary action.

## External

- We developed a single contact person as our communication profile with the RAC contractor and all incoming communications.
- This worked well during the RAC demo project.
- Participation in RAC trade organization and CMS RAC teleconferences, work groups, etc.

# Mount Sinai's implementation of the GNYHA RAC Database and Tracking Tool

## **Standardization**

The RAC tool user selects the pathway for each RAC communication. Therefore, it was essential to establish standard processes for the way information was entered, updated and resolved in order to maintain a consistent process and ensure integrity and accuracy of resulting data and to provide accurate reports.

- Established roles and responsibilities for training staff on standardized data entry procedures for each of the process owners.
- We developed process flow diagrams and finalized processes via written policies and procedures.
- Staff training and education

## **Work lists**

Every RAC communication results in a work list, the tool acted as a work driver.

## **RAC Reports**

Generates detailed or summary status reports

# The Impact of RAC @ Mount Sinai Hospital

## **BACKGROUND:**

Mount Sinai Hospital is a not-for-profit hospital. We have two campuses; one located in the Upper East Side of Manhattan and one smaller hospital located in Western Queens.

- The 2 hospitals together have 1,400 licensed beds (1140 in NYC & 260 in Queens)
- We have combined revenues of over \$2 billion annually

We received communication from RAC that affected a universe of \$7.3 million  
The universe represented 1.4% of our net Medicare revenue

Attributes:

- Most of the inpatient cases were 4 years old (coding and one day stays)
- We appealed every inpatient overpayment



# The Impact of RAC @ Mount Sinai Hospital (cont'd)

## I. RAC Staffing Resources

No additional staff or staffing services were added to the organization to support the RAC, we re-aligned/re-defined existing staff to perform RAC tasks, with one exception.

## II. CDI Program launch supported the RAC appeals

Coincidentally, during the time that the RAC demonstration began, the two hospitals rolled out a Clinical Documentation Improvement (CDI) Program, headed by a physician leader, who also ran the Appeals Management Department, which wrote all RAC appeals. This allowed for education of CDI staff about RAC overpayment denials, so the CDI team was able to ensure that the same clinical documentation requirements pointed out by the RAC denials were elements that they reviewed in the present and future clinical documentation. We were able to change clinician behavior through physician education and monitoring.

# The Impact of RAC @ Mount Sinai Hospital

## **INPATIENT:**

Total number of inpatient records requested-832

Total number of initial inpatient denials received-212(25%)

74 DRG pairs including **debridement** worth \$2.7m

we were successful in reversing \$1.7m (63%)

138 One Day Stays worth \$2.3m

we were successful in reversing- \$1.7m (74%)

## **OUTPATIENT:**

Total number of outpatient overpayment requests 1345

1305 cases were denied for # of units billed (97%)

570 were overpayments/699 reversed(55%)

36 other-31 reversed (86%)

**The amount that we have repaid to the RAC, to date, has been \$738,000-not including any outstanding appeals.**

## The RAC Demonstration Lessons Learned

- Determine the appropriate membership of your RAC Task Force/Committee
- Evaluation of the manual processes at a detailed level in order to develop an automated tool that can support the RAC initiative
- Define the business owners
- Carefully review and design each component of the process to ensure a seamless flow/connection to any of the other subsequent/supporting components of the process
- Establishing clear roles and responsibilities. Develop written policies & procedures
- Defining the appropriate internal RAC contact person
- Design meaningful reports that are reflective of the actual impact of the RAC
- DETAIL, DETAIL, DETAIL-Track RAC requests by the individual line item listed.
- Continue your meetings with the respective business owners after the RAC begins and discuss the types of requests received and findings. Maintain communication.

# The NYS RAC Demonstration Ends

## Our goal during the RAC demonstration was to:

- Develop an organizational process; including roles, responsibilities and expectations.
- Develop an organizational communication protocol; internal and external.
- Develop an organizational response that included real time monitoring of the effects of the RAC initiative.
- Utilize an electronic tool to manage the RAC demonstration.
- Track and monitor RAC requests: 1<sup>st</sup> and 2<sup>nd</sup> level appeals.
- Develop Work Plans and Corrective Action Plans to address issues/risks.
- Track resources to support the RAC initiative
- Be proactive and knowledgeable-APPEAL, APPEAL, APPEAL!!
- Most importantly try to mitigate as many take-backs as possible; front-end fixes.

# Re-invigorating the RAC Committee for the Permanent RAC

**The Hospital Compliance Department decided to re-organize the RAC Committee in Feb 2008 ( at the sunset of the RAC demonstration program).**

- the need during the demonstration was to develop a process-now the need is to sustain the permanency of the RAC program.
- who best to include that was not part of the committee initially?
- need change agents with authority to assist with addressing new challenges and change.
- conducted denial root cause analysis of our overall RAC experience.
- honestly look at known risks and make recommendations to leadership.
- develop corrective action plans to mitigate the risks.

# What Did We Look At? Our Self Assessment Process

## How did we determine what risks to look at?

- Our internal denial root cause analysis of existing denials (non-RAC & RAC) by provider, service, procedure, princ dx, etc.
- CMS Final RAC report
- OIG & OMIG Work Plans
- The NYS Medpar data- PEPPER Report
- Healthcare trade organizations newsletters, bulletins, teleconferences, etc

# Change Agents-The RAC Steering Committee

- I. 2007-2008 The NYS audit experiences
  - A. Managing the RAC
  - B. We received approximately eight (4 large) OMIG audits
  - C. We received multiple inquiries from the OIG and 3 large OIG audits
  
- II. The RAC Steering Committee
  - A. Newly charged committee with the authority to make changes as needed
  - B. Explored the possibility of developing an AUDIT database and tracking tool, including report capabilities
    - 1. Do we build something in-house? We began exploring our needs
    - 2. Do we buy a product? Need to develop an RFP
    - 3. Do we partner with another party?

# Change Agents-The RAC Steering Committee (cont'd)

## III. The Organizational culture shift

- A. We realized we needed to design our processes and systems to support all audit activity (OMIG, OIG). Needs are greater than just the RAC
- B. How can we manage all of the audits-manually? Every individual account needed notation.
- C. We need an enterprise-wide audit management tool.
- D. How can we manage the audit process and be proactive? Look at things the auditors are reviewing.
- E. Explore internal data-mining.

## IV. Exploration of utilizing our in-house data warehouse (DW) capabilities

- A. Identify if the initiative could be supported
- B. What data is currently available?
- C. Identify other data/systems needed
- D. Developed an internal RFP and work plan to merge data into DW

## V. Reporting efforts of the RAC Steering Committee to the Compliance Committee of the Board



## Concerns Under the Permanent RAC

- The demonstration project had start and end dates, making it easier to get buy-in and make adjustments to address the request at hand.
- Ongoing initiative that may incur more volume of requests; during the demonstration we had a record limit of 50, CMS has developed a record limit of 200/45 days-this may be hard to sustain.
- Overall operational challenges required to maintain timely submission of the increase number of record requests.
- Need to pay close attention to resource allocation across the institution in addressing all audit business.
- Quickly responding (in real time) to the areas/targets of review under the RAC; providing education & monitoring. Manage any risks.
- Managing the potential volume of appeals

# QUESTIONS?

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