

Taming Complex RAC Risk Areas Using Root Cause Analysis and Scorecards

Fourth National Medicare RAC Summit
September 13, 2010

Jerry Miller, RN, MBA
Interim Vice President, Revenue Cycle

FOURTH NATIONAL MEDICARE RAC SUMMIT
The Expansion of RAC and Contingency Auditing under Health Reform
September 13, 2010
Crystal Gateway Marriott Arlington, Washington D.C.



Agenda

- Welcome/Introductions
- Overview of RAC Scorecard
- Understanding Risk Areas
 - Automated vs. Complex
 - Automated Denial Sources
 - Complex Denial Sources
 - Automated Denial Reasons
 - Complex Denial Reasons
 - Average Time Responding

Adjusting to the New RAC Climate

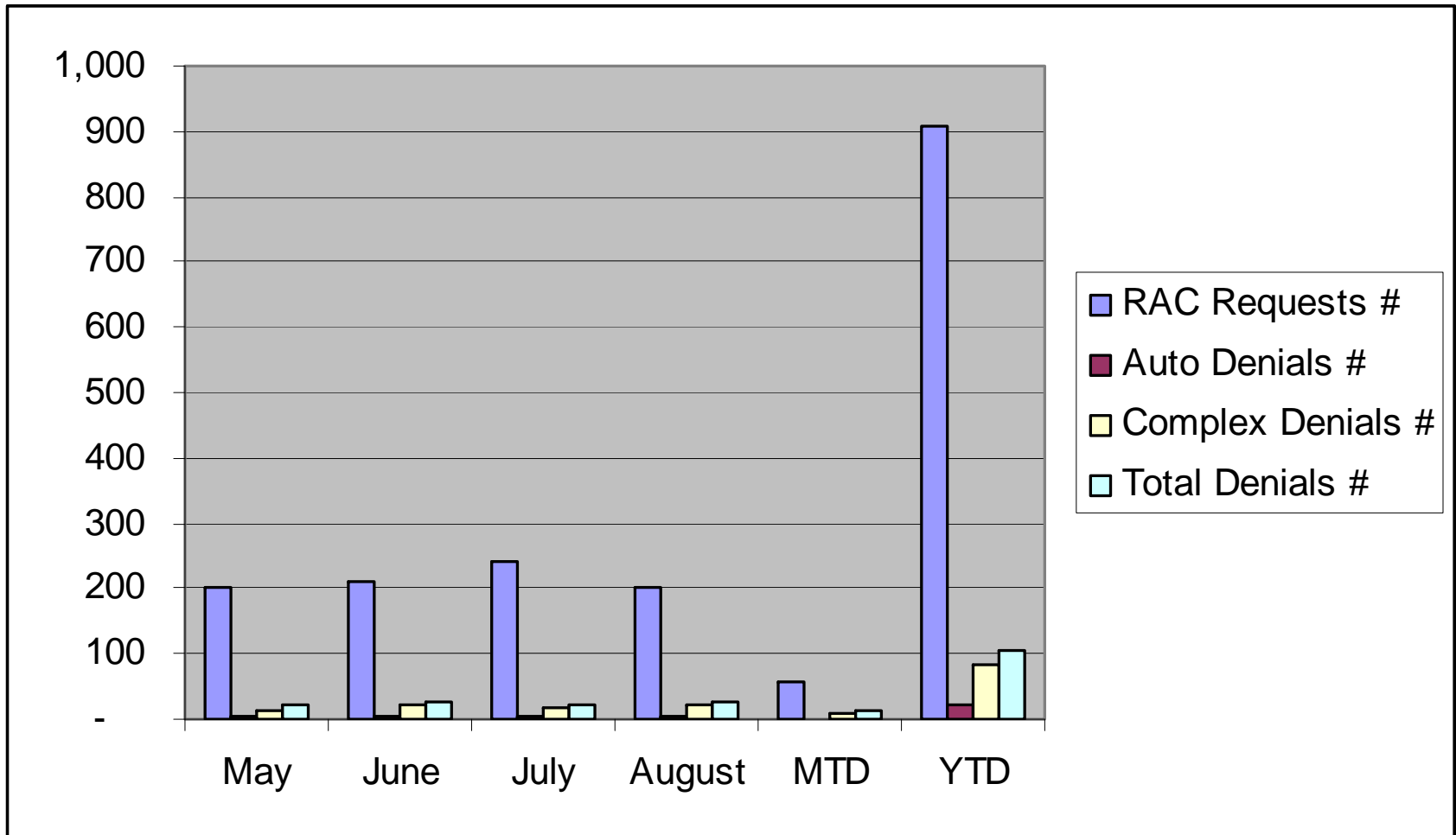


RAC Scorecards

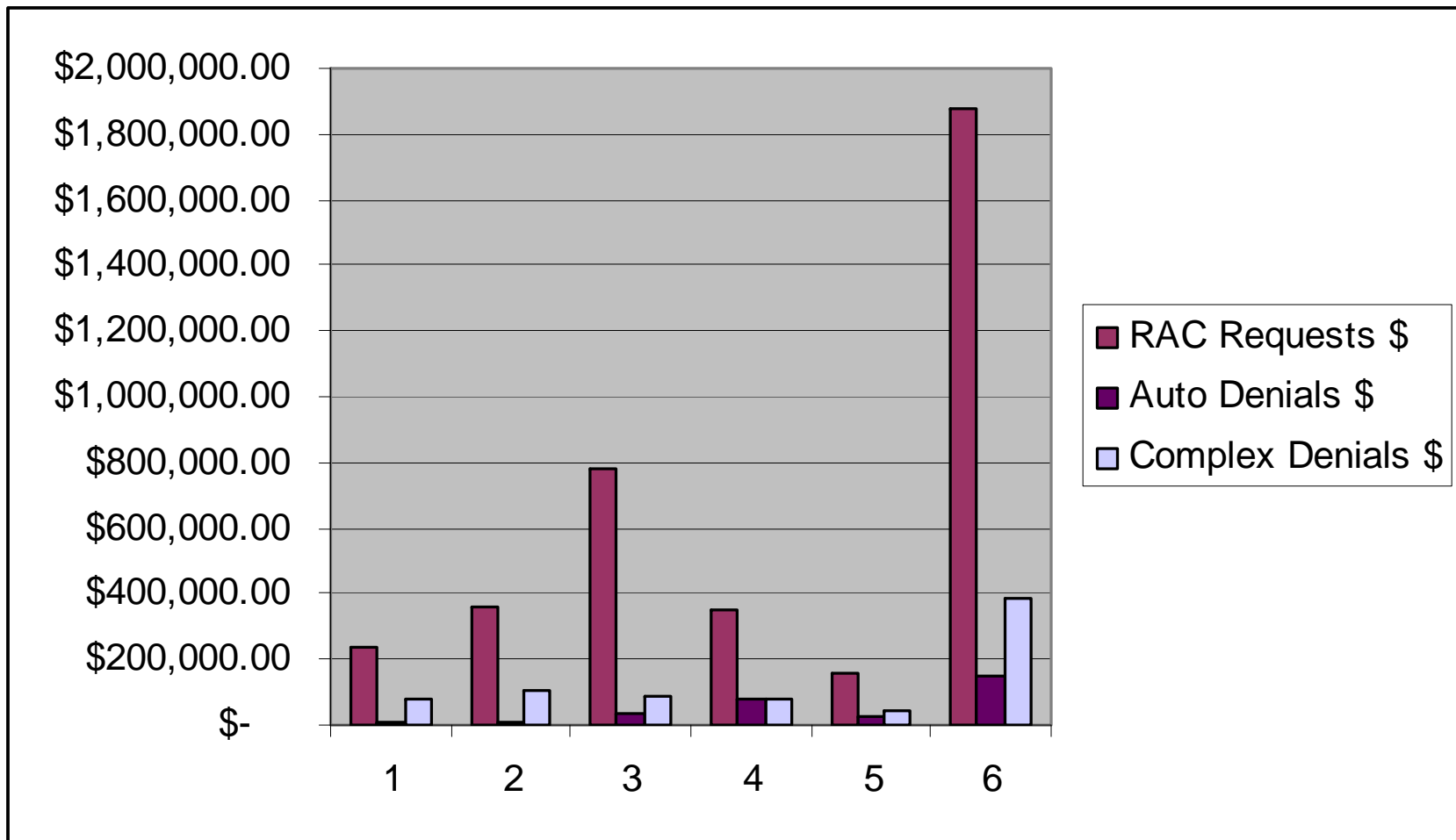
General Hospital Aug-10

| | | May | June | July | August | MTD | YTD | YTD Average |
|-----------------|----|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| RAC Requests | # | 200 | 210 | 240 | 201 | 55 | 906 | 213 |
| | \$ | \$ 234,560.00 | \$ 358,760.00 | \$ 776,580.00 | \$ 347,650.00 | \$ 159,870.00 | \$ 1,877,420.00 | \$ 429,387.50 |
| Auto Denials | # | 5 | 6 | 3 | 5 | 2 | 21 | 5 |
| | \$ | \$ 6,587.00 | \$ 8,790.00 | \$ 35,789.00 | \$ 74,566.00 | \$ 25,890.00 | \$ 151,622.00 | \$ 31,433 |
| Complex Denials | # | 15 | 21 | 17 | 22 | 10 | 85 | 19 |
| | \$ | \$ 75,349 | \$ 100,890 | \$ 87,666 | \$ 76,009 | \$ 46,533 | \$ 386,447.00 | \$ 84,979 |
| Total Denials | # | 20 | 27 | 20 | 27 | 12 | 106 | 24 |
| | \$ | \$ 81,936 | \$ 109,680 | \$ 123,455 | \$ 150,575 | \$ 72,423 | \$ 538,069.00 | \$ 116,412 |
| % Auto | # | 25% | 22% | 15% | 19% | 17% | 20% | 20% |
| | \$ | 8% | 8% | 29% | 50% | 36% | 80% | 24% |
| % Complex | # | 75% | 78% | 85% | 81% | 83% | 80% | 80% |
| | \$ | 92% | 92% | 71% | 50% | 64% | 72% | 76% |

Automated vs. Complex Volume

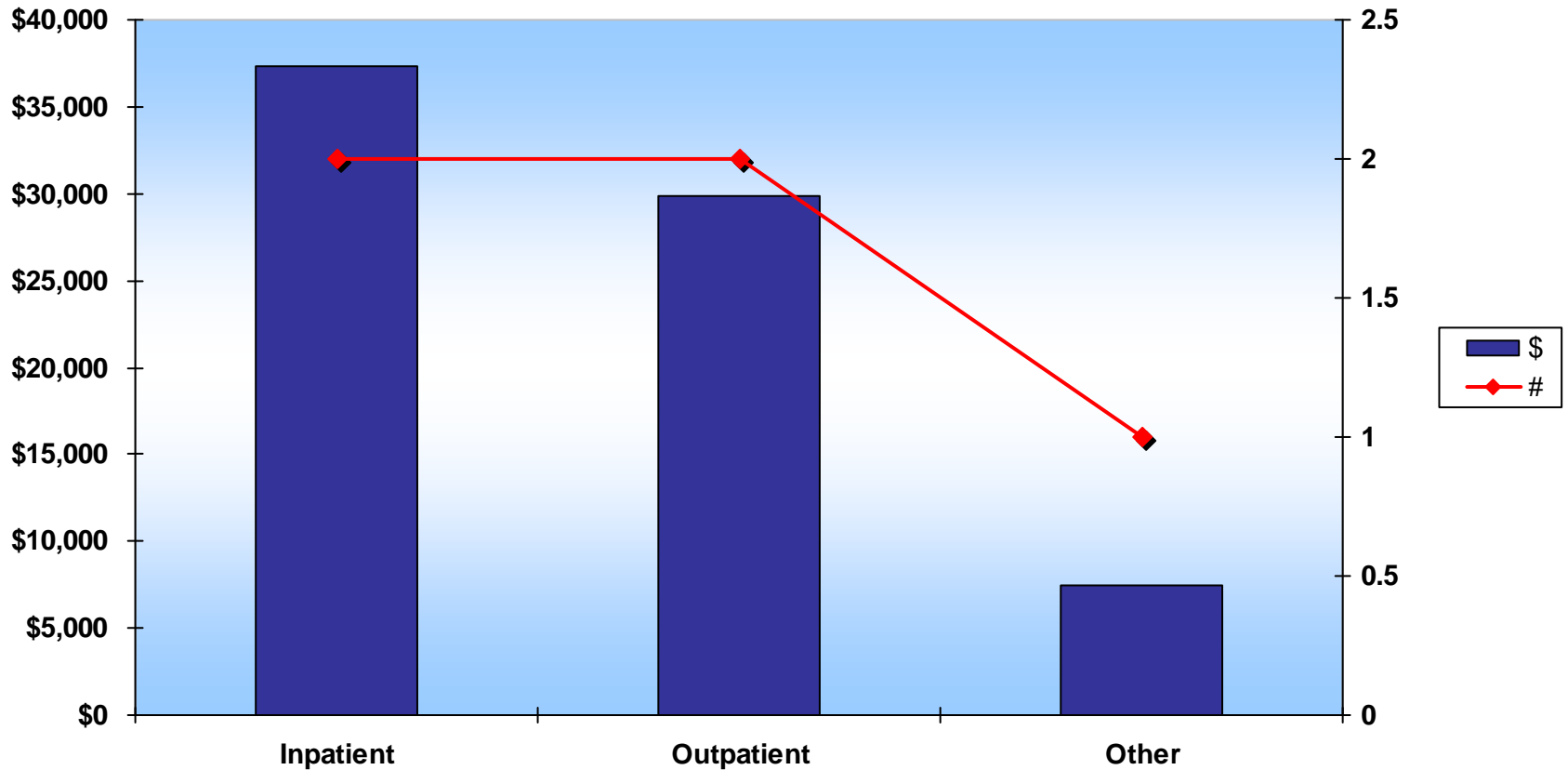


Automated vs. Complex Denials



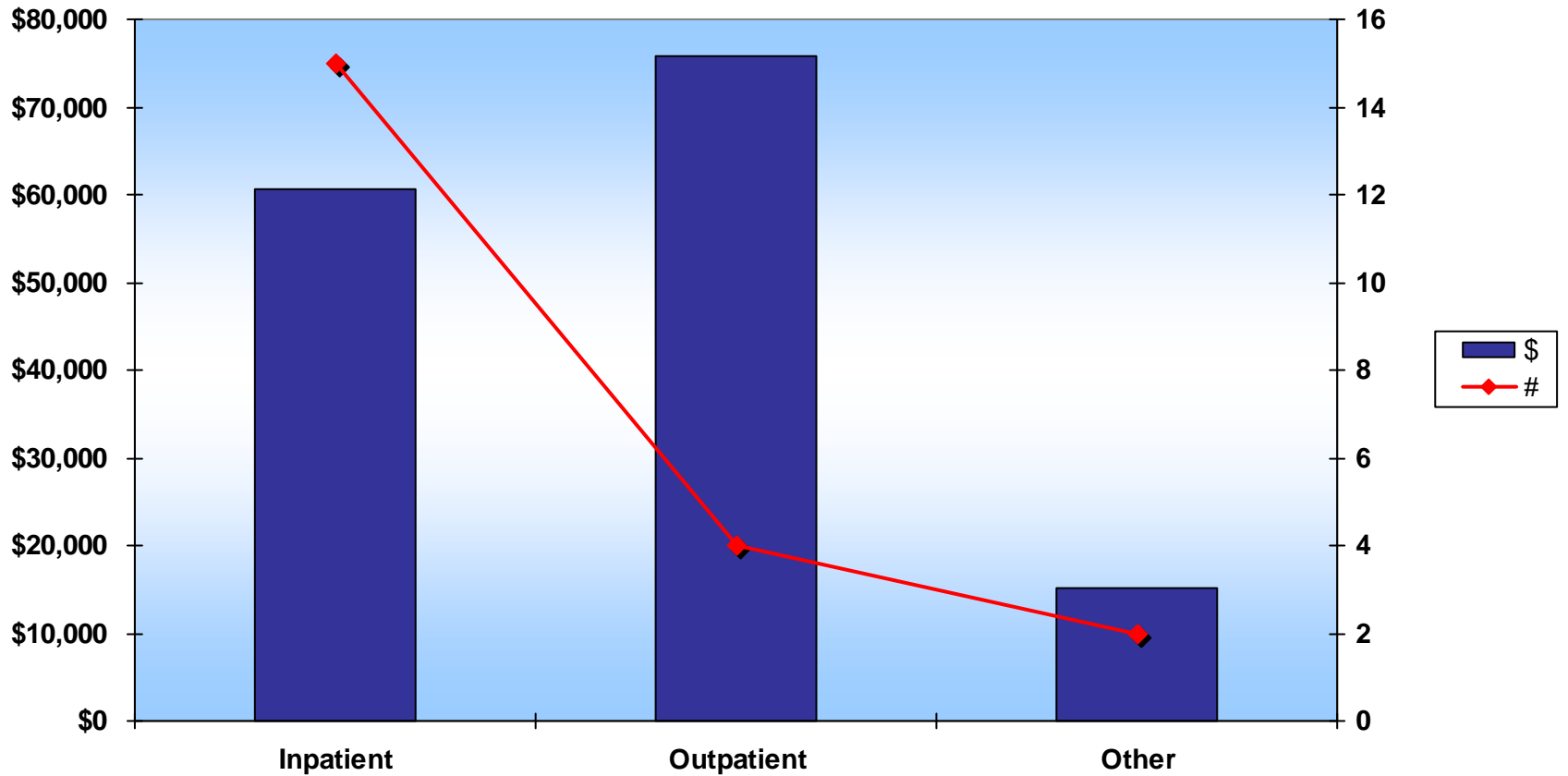
Automated Denial Sources

August 2010



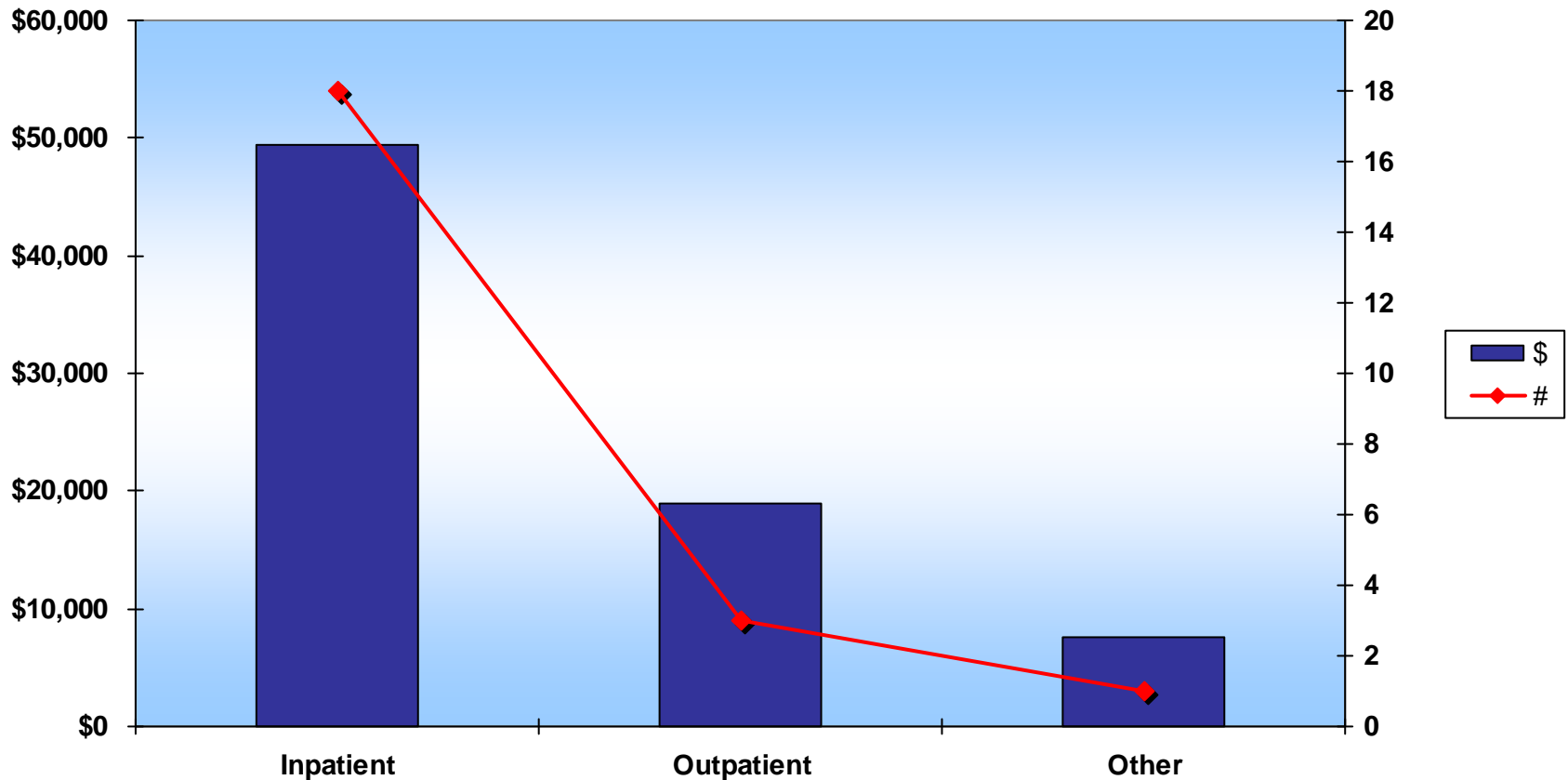
Automated Denial Sources

YTD 2010



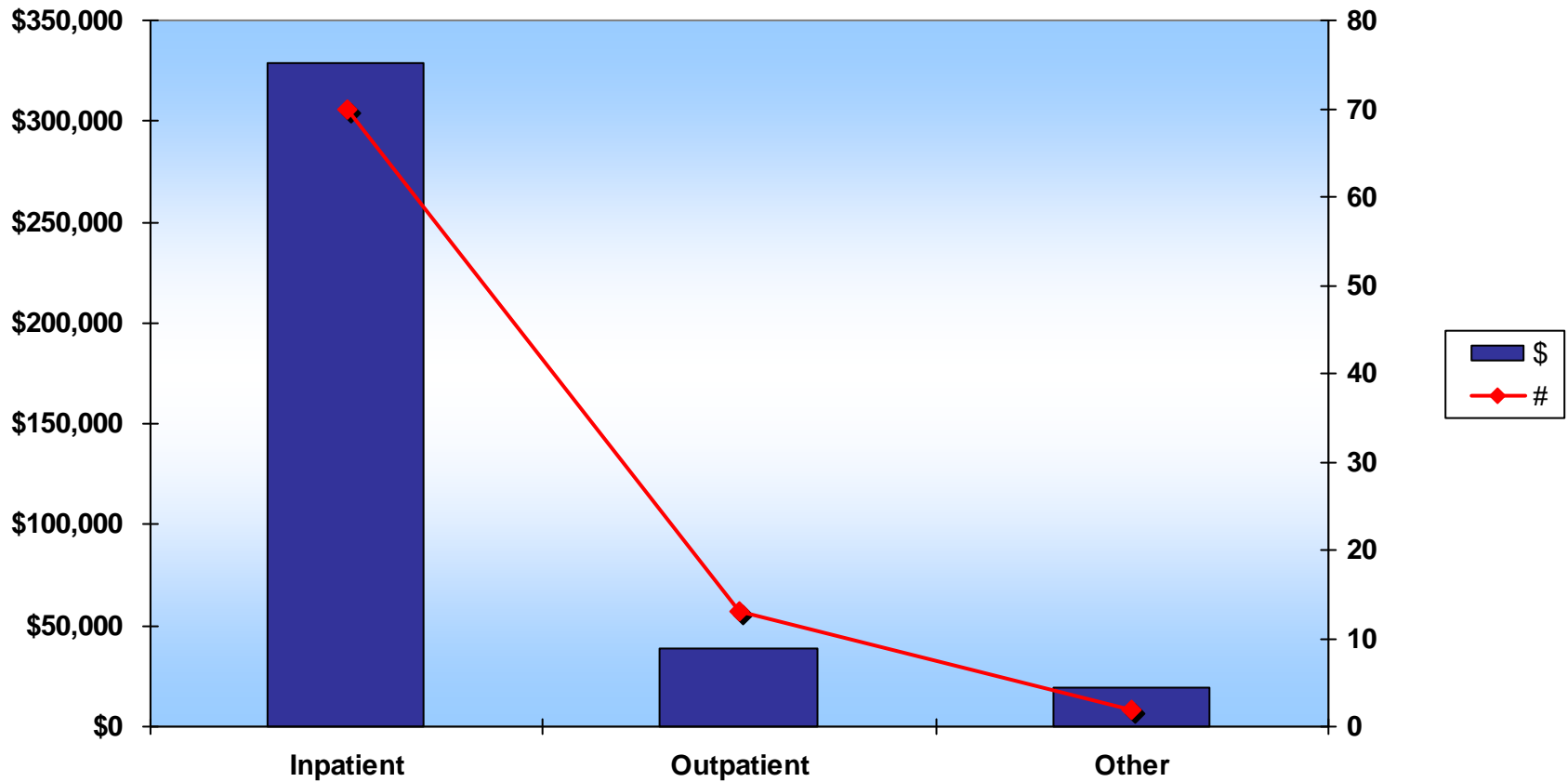
Complex Denial Sources

August 2010

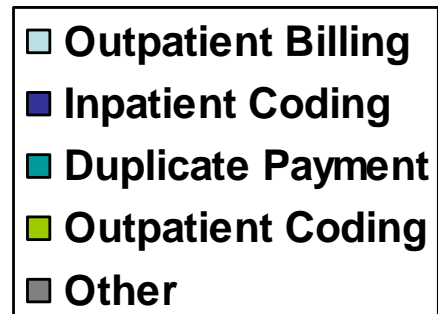
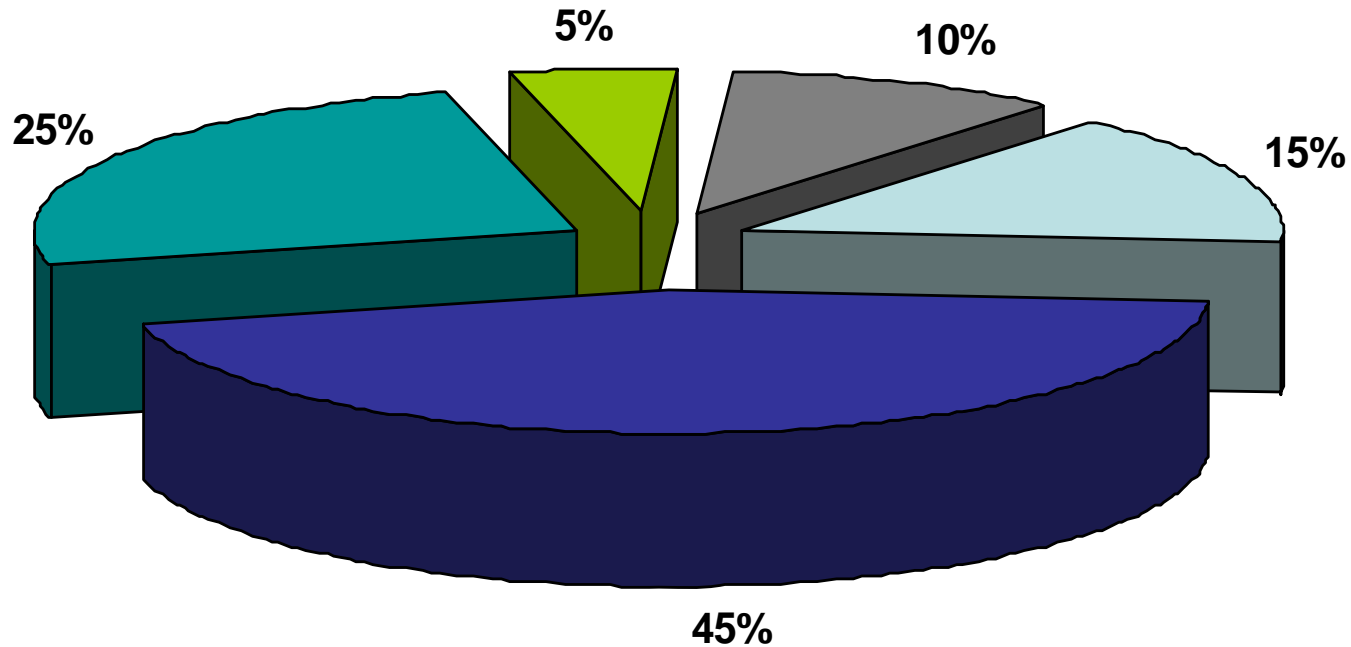


Complex Denial Sources

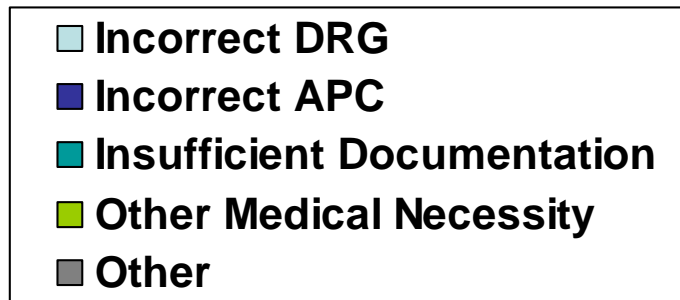
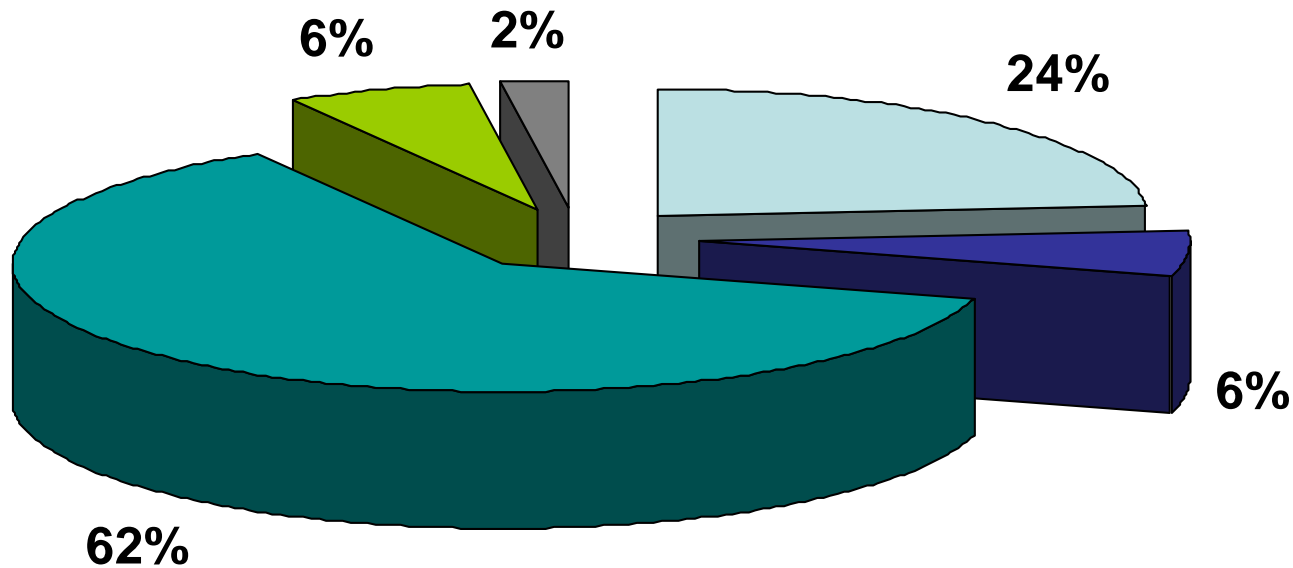
YTD 2010



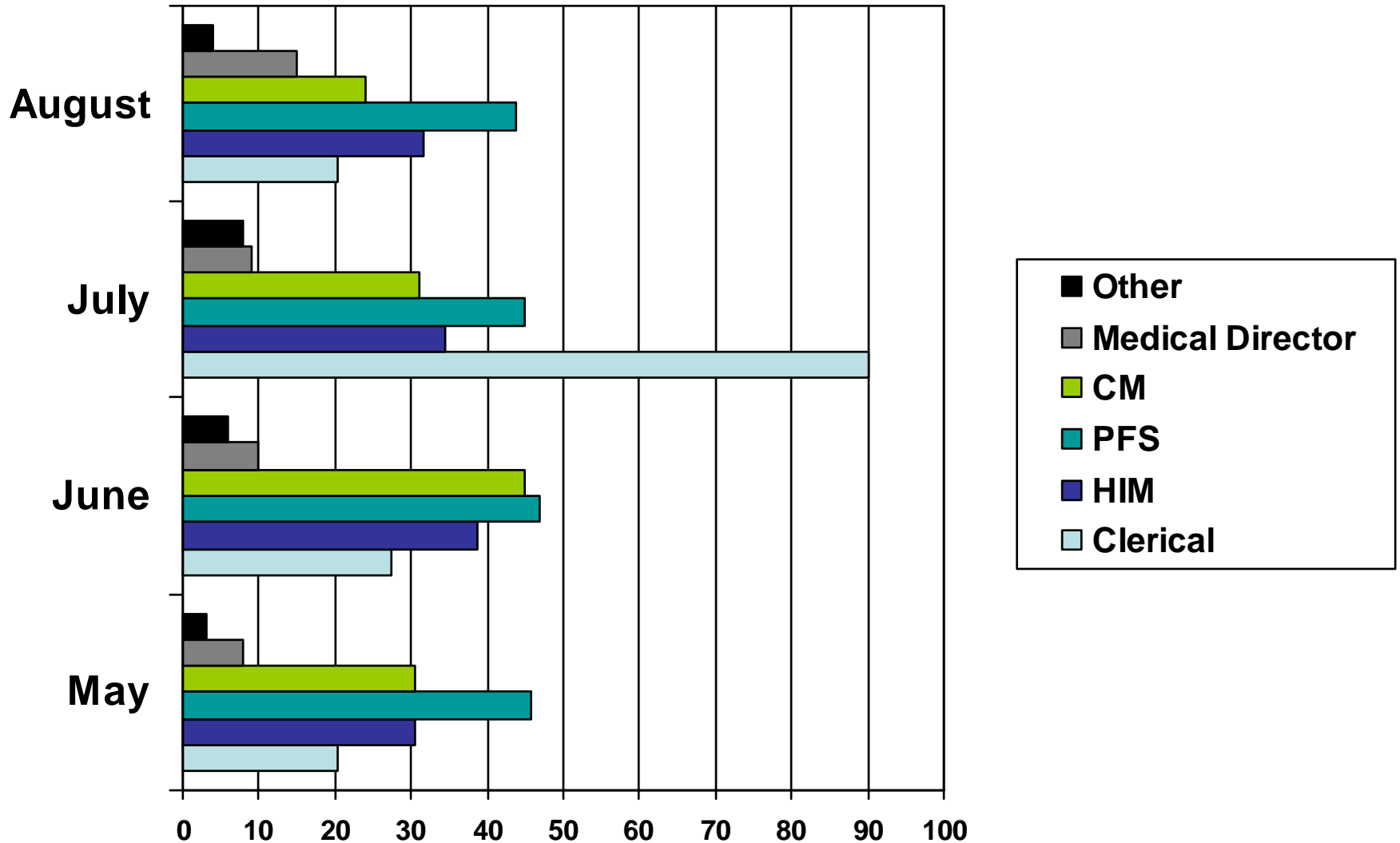
Automated Denial Reasons



Complex Denial Reasons



Average Time Responding



Jerry Miller, RN, MBA

Interim Vice President, Revenue Cycle

Jerry_Miller@QHR.com

800-233-1470 ext 2016