



Indiana University Health

Thinking Like a RAC Data Mining and Self-Auditing

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Indiana University Health

Mission: Leadership and Service to Our Patients

In 1997, one organization—then called Clarian Health— brought together the comprehensive resources of three of Central Indiana’s strongest medical facilities:

Methodist Hospital of Indiana,
Indiana University Hospital and
Riley Hospital for Children.

In January 2011, Clarian Health became Indiana University Health.

Indiana University Health is a non-profit, academic medical health center and is Indiana's most comprehensive healthcare system, comprising more than 20 hospitals and health centers statewide. Its partnership with the Indiana University School of Medicine – one of the nation’s largest medical schools – gives IU Health patients access to the latest research and most innovative treatments and therapies.

IU Health and its statewide affiliates make up the leading hospital system in Indiana, and one of the busiest and most highly regarded in the nation. There are approximately 22,000 employees in the IU Health system. We serve more than 1.9 million patients annually.



Indiana University Health Facilities

Indiana University Health – Non-profit & For Profit Hospitals

- **Non-profit**
 - IU Health Methodist Hospital (802 beds)
 - IU Health University Hospital (395 beds)
 - Riley Hospital for Children at IU Health (455 beds)
 - IU Health Saxony Hospital (42 beds)
 - Opening December 2011
- **For Profit**
 - IU Health Arnett Hospital (141 beds)
 - Max 77 every 45 days
 - IU Health Ball Memorial Hosp (370 beds)
 - Max 66 every 45 days
 - IU Health Blackford Hospital (15 beds)
 - IU Health North Hospital (161 beds)
 - Max 35 every 45 days
 - IU Health West Hospital (127 beds)
 - Max 35 every 45 days

Max 500 every 45 days

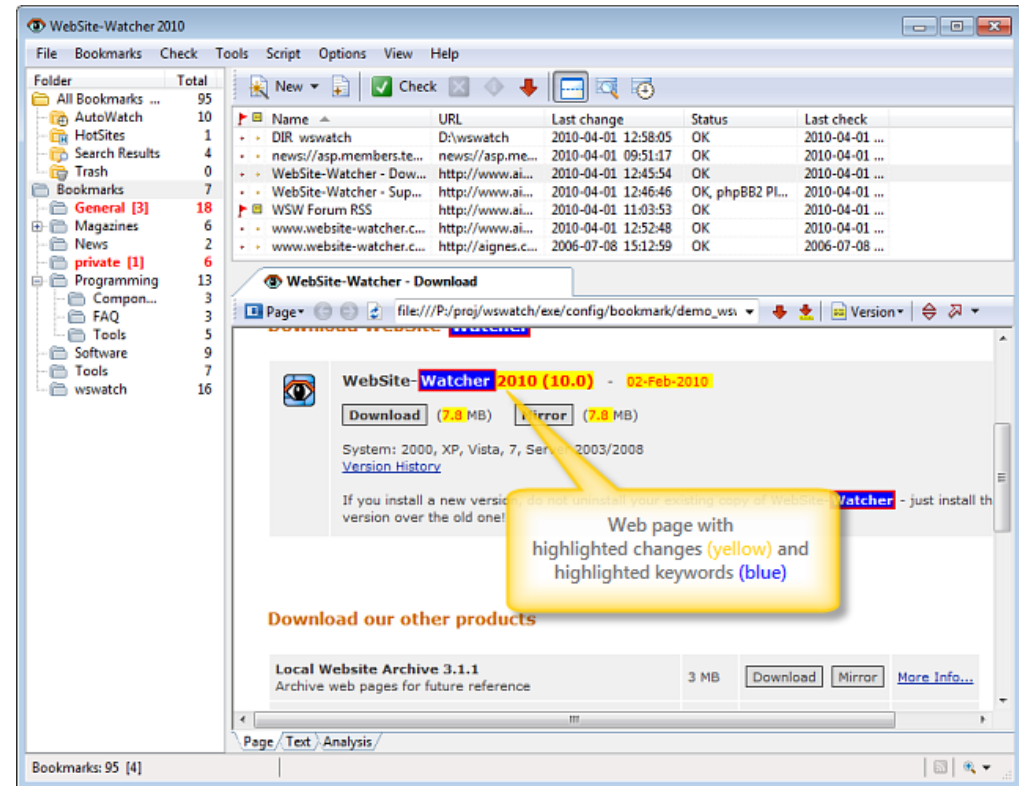
Indiana University Health – Affiliate Hospitals

- IU Health Bedford Hospital (25 beds)
- IU Health Bloomington Hosp (297 beds)
- IU Health Goshen Hospital (122 beds)
- IU Health La Porte Hospital (204 beds)
- IU Health Morgan Hospital (101 beds)
- IU Health Paoli Hospital (24 beds)
- IU Health Starke Hospital (53 beds)
- IU Health Tipton Hospital (25 beds)
- IU Health White Memorial Hosp (25 beds)

- IU Health monitors over 100 different web pages in an effort to stay on top of changes in the RAC program.

- CMS
- DCS - Region A
- CGI - Region B
- Connolly - Region C
- HDI - Region D

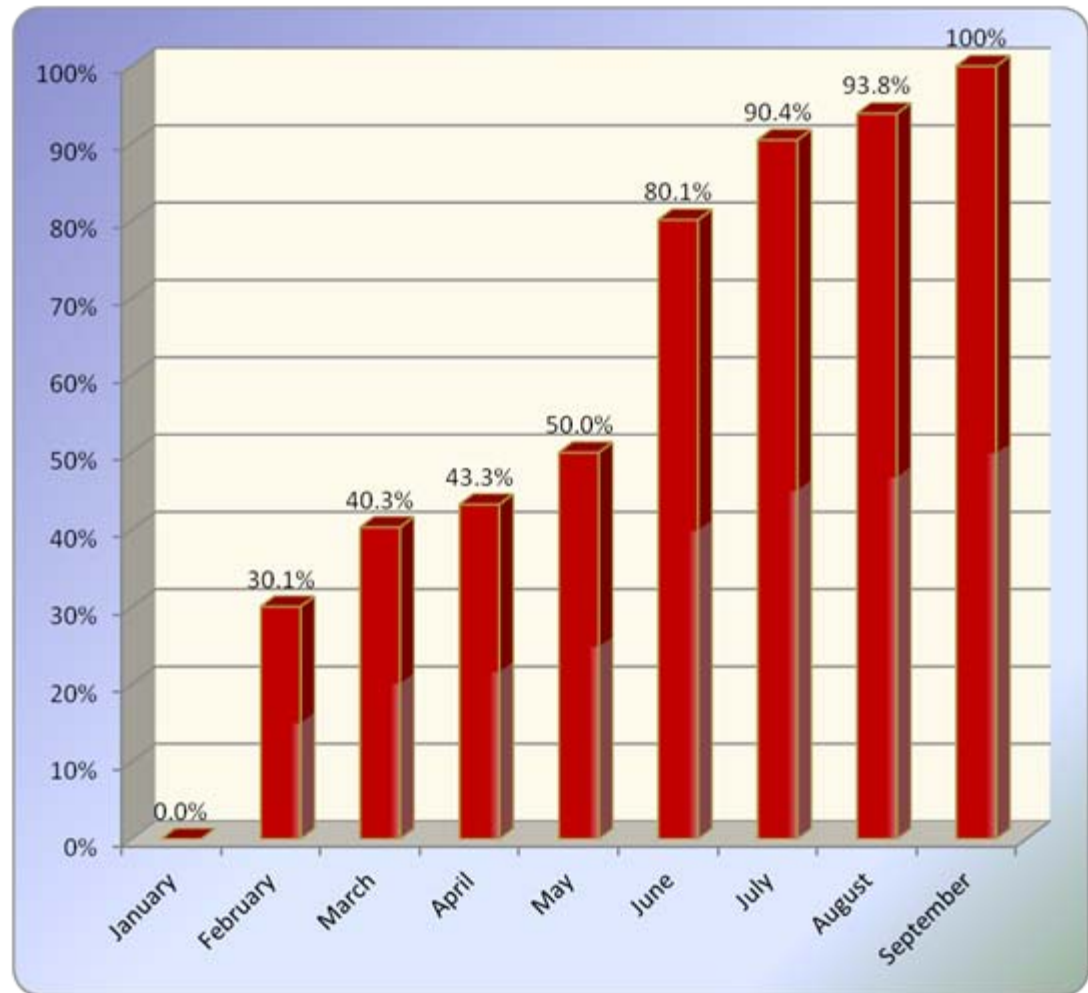
- Home Pages
- Issues Pages
- ADR Limits
- Audit Claim Status
- FAQ's
- Etc.



- Monitor web pages
- Monitor password protected pages
- Monitor forums for new postings and replies
- Highlight changes in a page
- Powerful filter system to ignore unwanted content
- Scheduling and email alerts

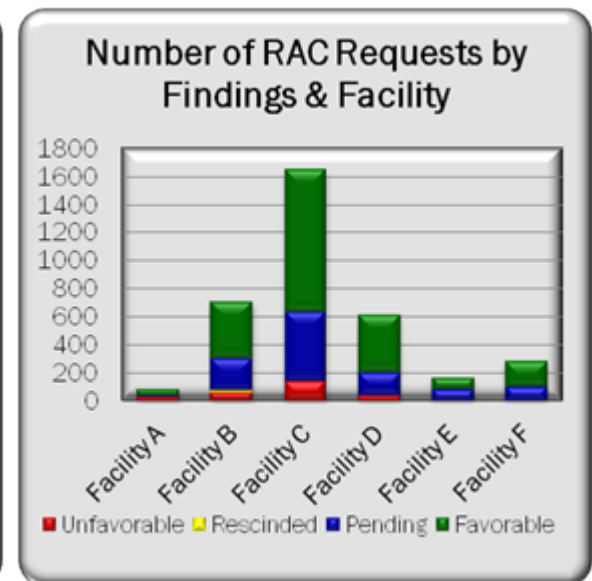
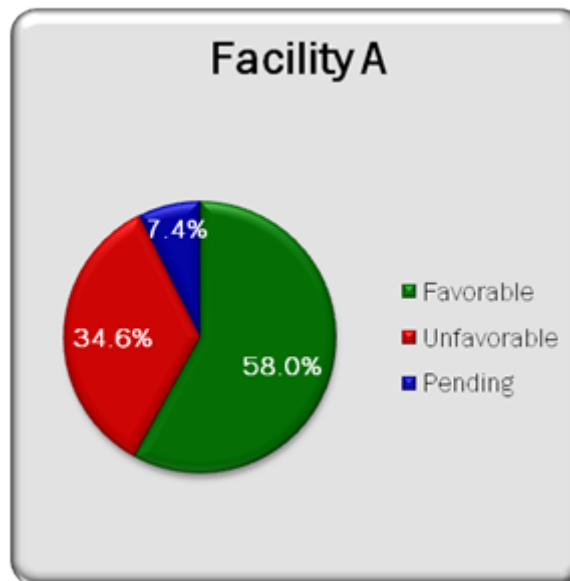
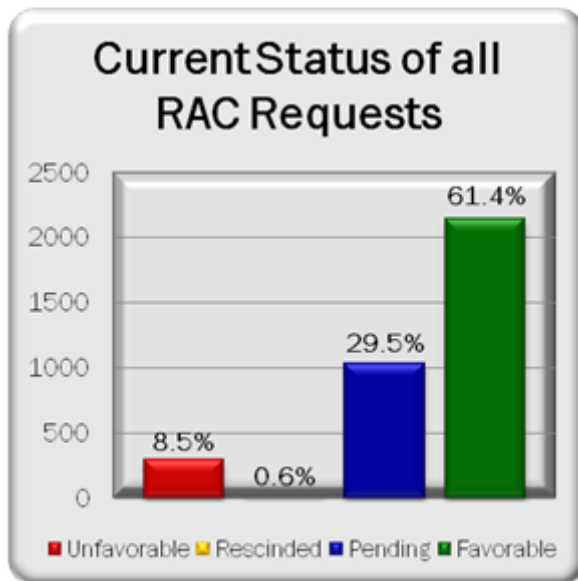
Pre-Bill Medicare MS-DRG Holds

- Beginning in February of 2010 IU Health set up edits in our coding system to hold all accounts coded for Medicare with specific MS-DRGs.
- Over the next 7 months we continued to add groups of MS-DRGs to the edit until eventually all Medicare inpatient accounts were being held. These accounts were placed into a special work queue.
- By the end of September 2010 – 100% of Medicare inpatient accounts for all IU Health Facilities are being reviewed daily by our Coding Quality Auditors who perform a second review of each MS-DRG prior to releasing it for billing.



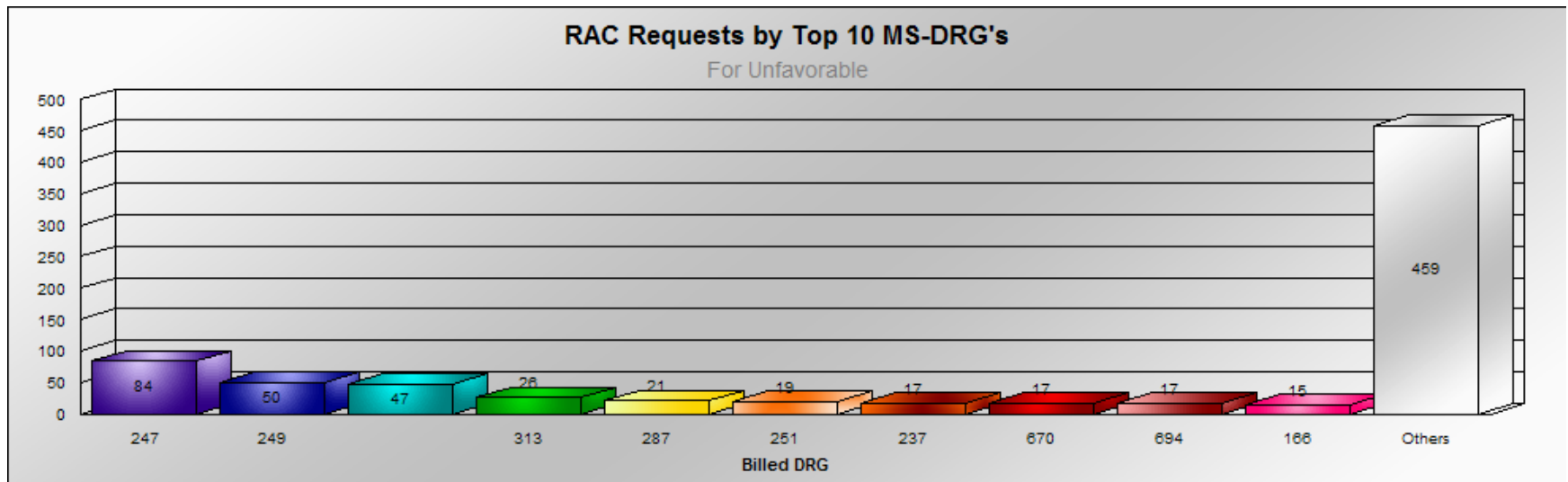
At-A-Glance Analysis

- Current Status of all RAC Requests
- Current Status of all RAC Requests by Facility
- RAC Requests by Facility & Findings
 - (by count and Original Medicare Payments)
 - Favorable – Unfavorable – Pending –



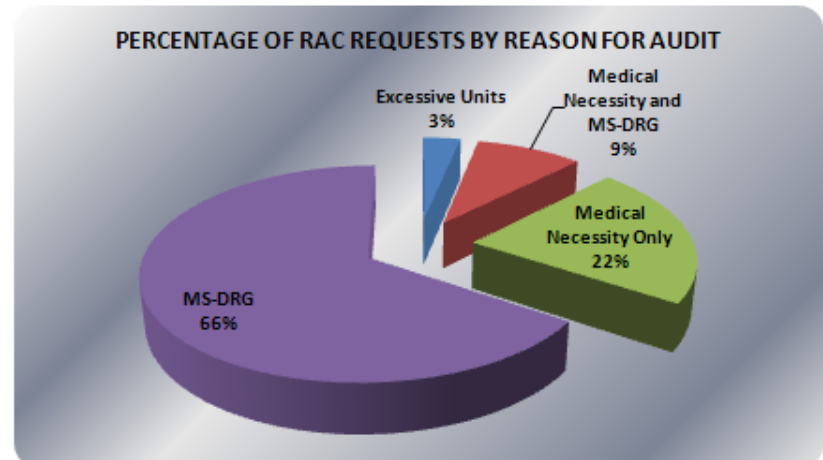
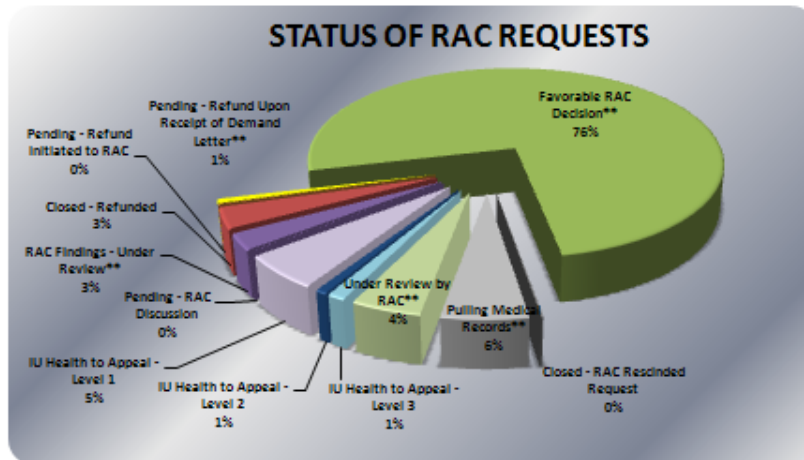
RAC Request Analysis

- RAC Requests by Top 10 MS-DRG's
- RAC Requests by Top 10 Coders
- RAC Requests by Top 10 Physicians
 - (by count and Original Medicare Payments)
 - Favorable – Unfavorable – Pending –

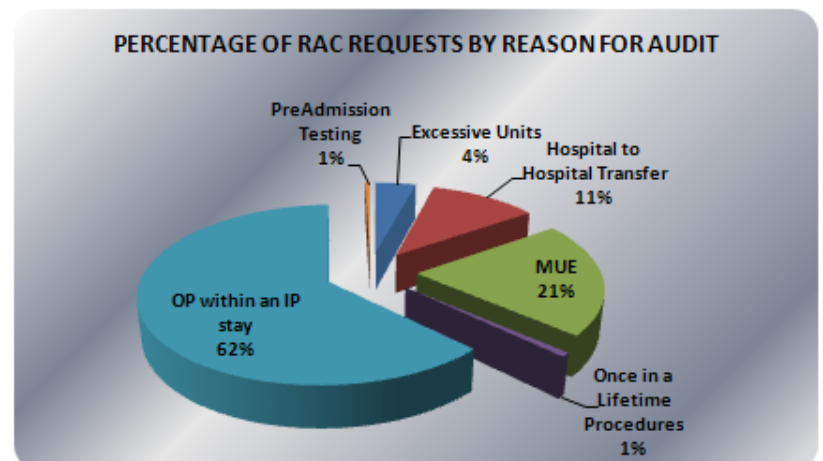
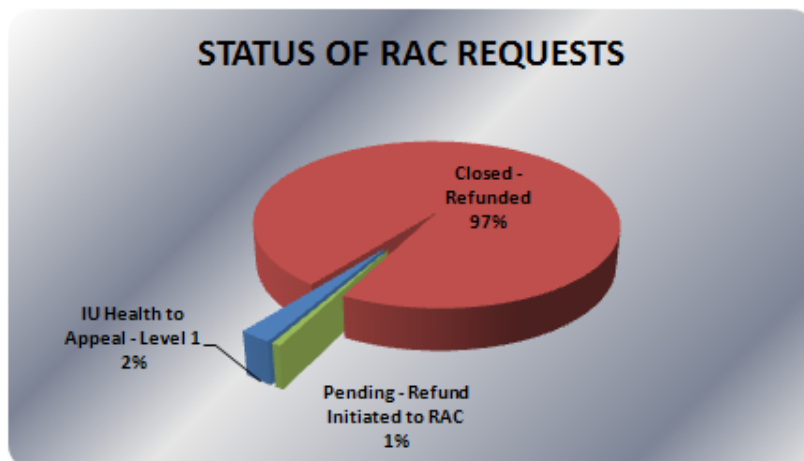


Dashboard Example

Complex Review



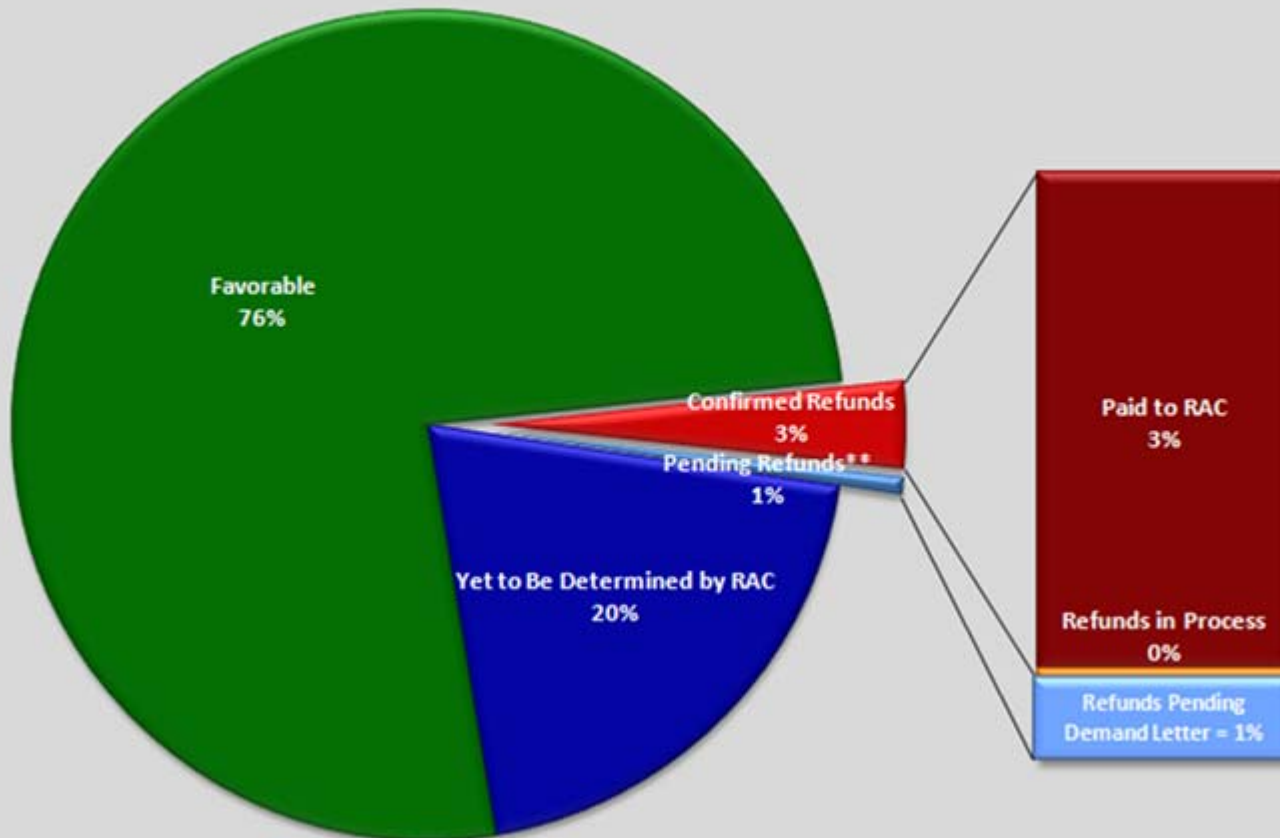
Automated Review



Dashboard Example



RAC Refunds for Coding and Medical Necessity



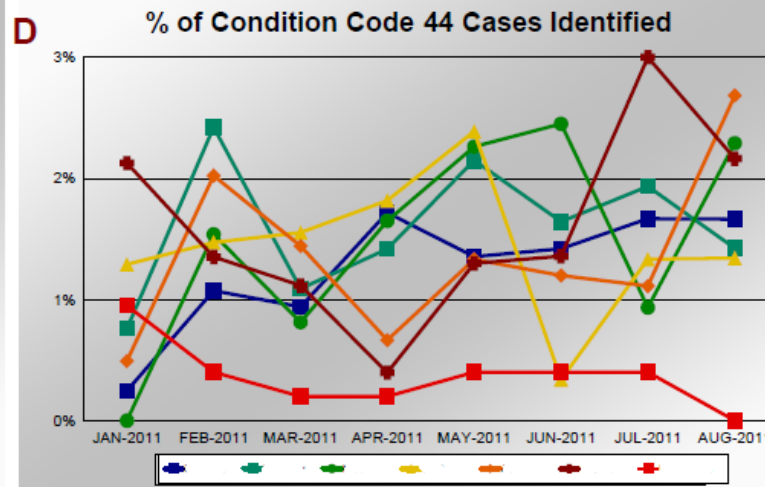
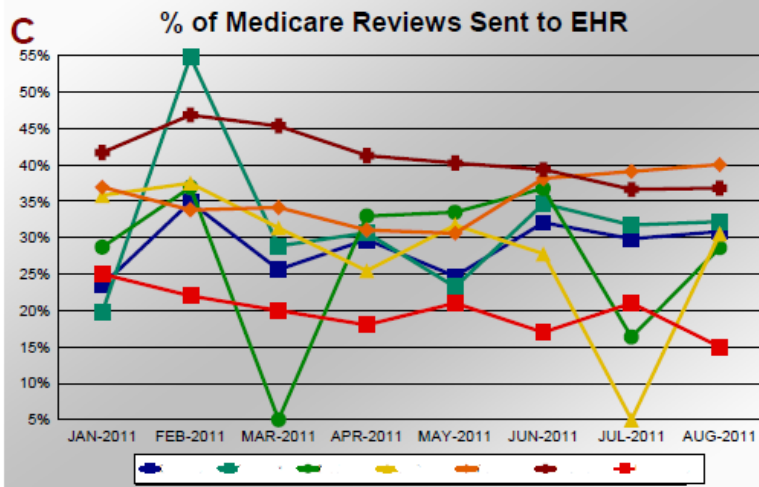
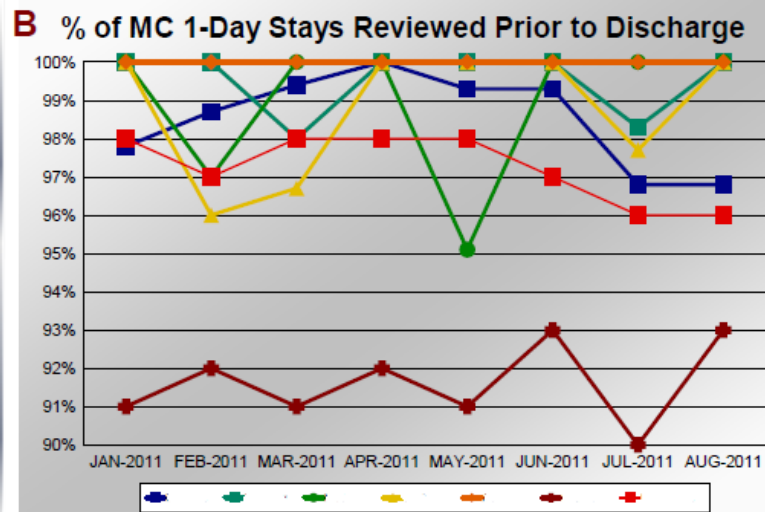
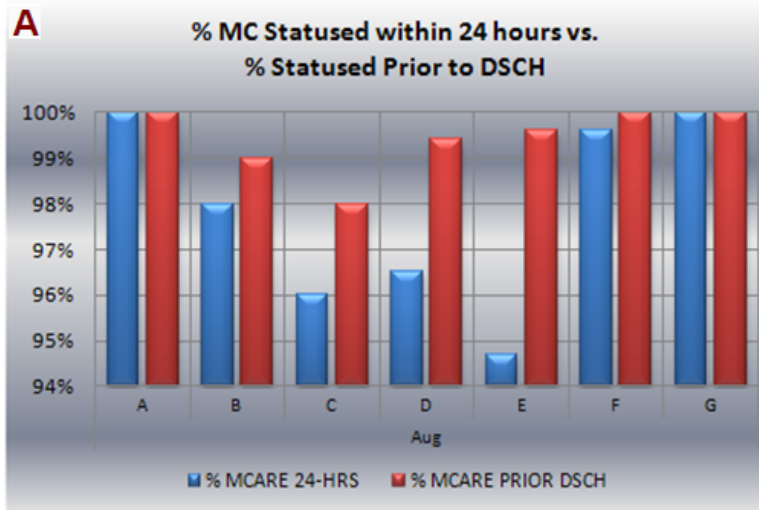
■ Pending Refunds** ■ Yet to Be Determined by RAC ■ Favorable ■ Paid to RAC ■ Refunds in Process (Awaiting Executive Approval)

**Awaiting RAC Demand Letter for final amount to be reimbursed

Dashboard Example



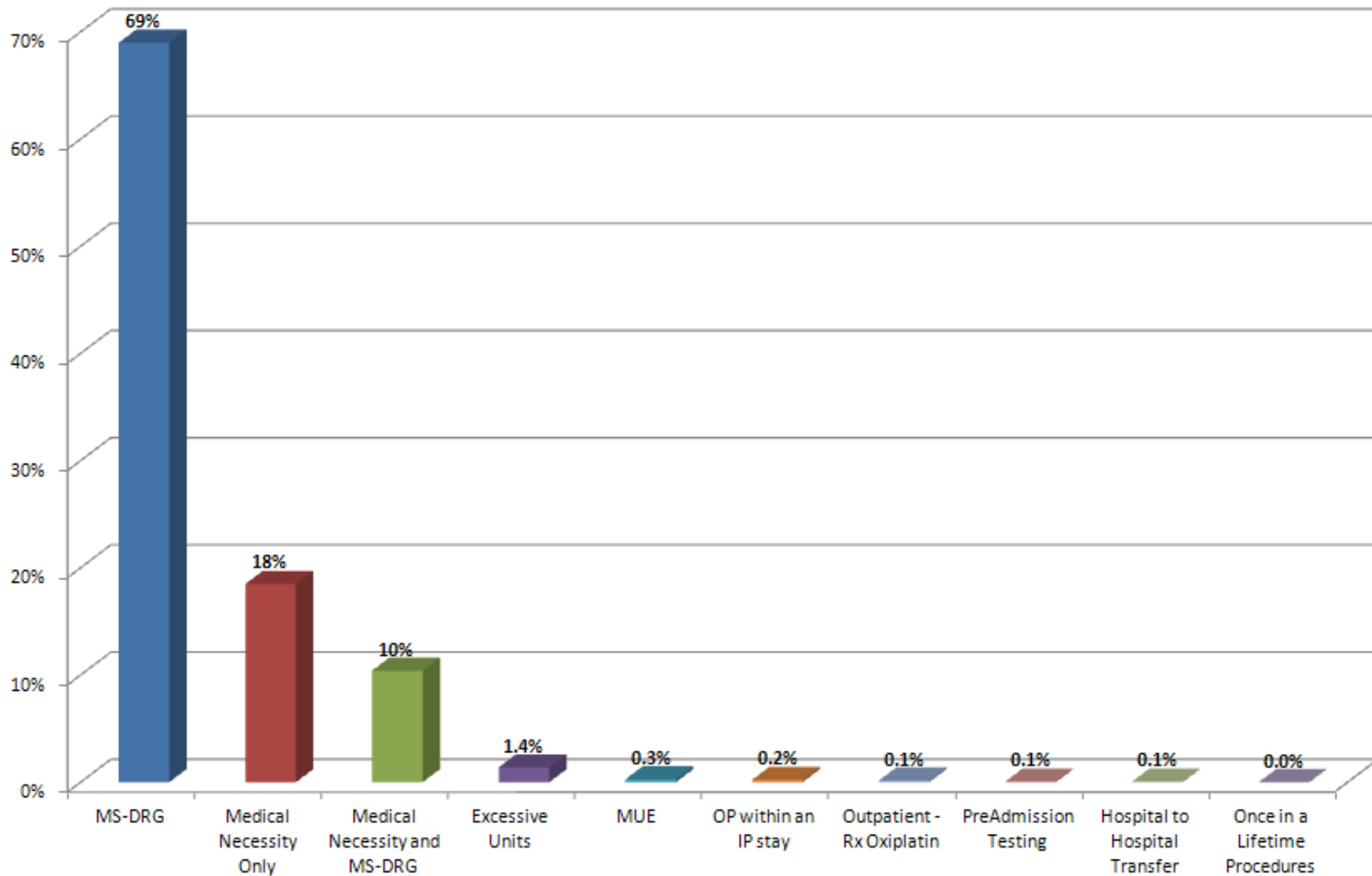
By Facility & Month - year to date



Dashboard Example



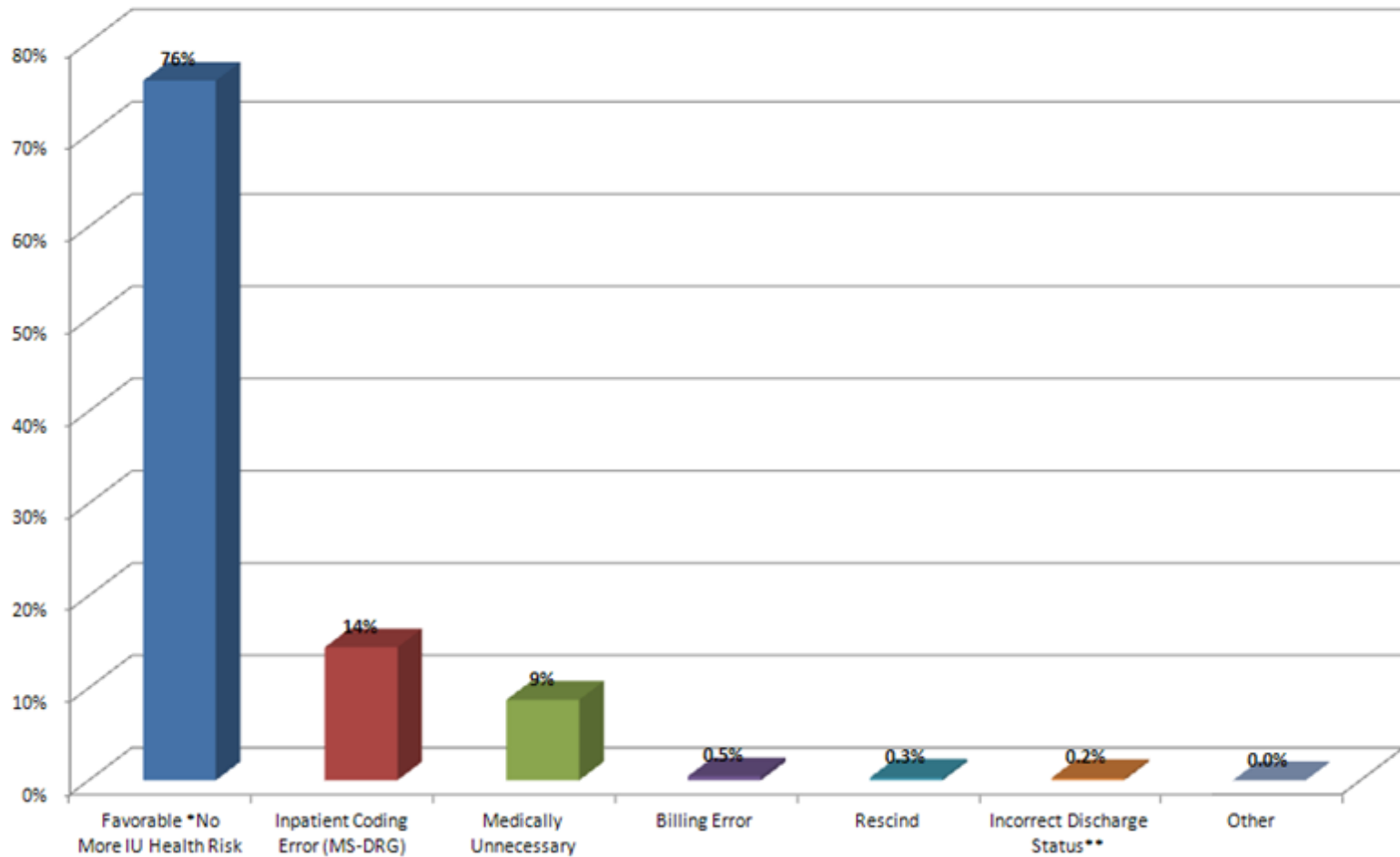
RAC Requests by Reason for Audit
System Wide - Original Medicare Payment



Dashboard Example



RAC Findings by Initial Determination
System Wide - Original Medicare Payment



Mitigation of Future Risk

- Initiation of networking consortium with hospitals in other RAC regions
 - Gain knowledge of other RACs methods and issues
 - Share operational best practices
- Initiate pre-bill medical record review of Medicaid accounts

Mitigation Experience ~ DRG Detail Breakdown



- **Coding & DRG Validation**

- Process is centrally managed by one IU Health System Manager and is corporately owned by Revenue Cycle Services (RCS)
- RCS has dedicated resources to support the RAC process as well as review and appeal RAC denials
- Experience to date has yielded a 26% success rate of appeal at the 1st level of appeal (Fiscal Intermediary)
- 100% of Medicare accounts are reviewed pre-bill for DRG accuracy effective September 2010
- Computer-Assisted Coding technology implemented in the latter of 2011 will strengthen coding accuracy, which will in turn mitigate future RAC coding risk



Undetermined Risk ~

Medical Necessity Detail Breakdown



- The term Medical Necessity is used to reference whether the clinical picture of a patient warrants an inpatient stay versus an observation or outpatient stay
 - One day inpatient stays with older dates of service are a high risk at this time. The majority being reviewed were prior to the implementation of Executive Health Resources (E.H.R.) reviews and Care Management staffing changes
 - RAC has increased the volume of record requests every 45 days from 300 to 500 for DRG and Medical Necessity combined effective February 15, 2011
 - RAC is obviously staffing up on the Clinical side, as evidenced by the increasing proportion of Medical Necessity requests each review period



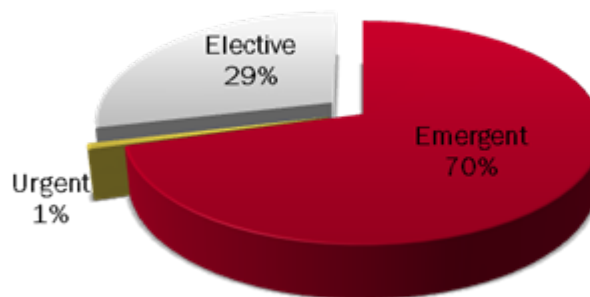
Vulnerabilities ~

Medical Necessity Denial Breakdown



- 70% of MN denials were admitted emergently versus 29% being admitted electively as inpatients

MN Denials by Admit Type



- Research revealed that a large majority of one-day inpatient stay denials are occurring on the Hospitalist and Cardiovascular Medicine services

Top Ten Hospital Service with RAC MN Denials

