

10 Keys to a Successful Audit Appeals Program

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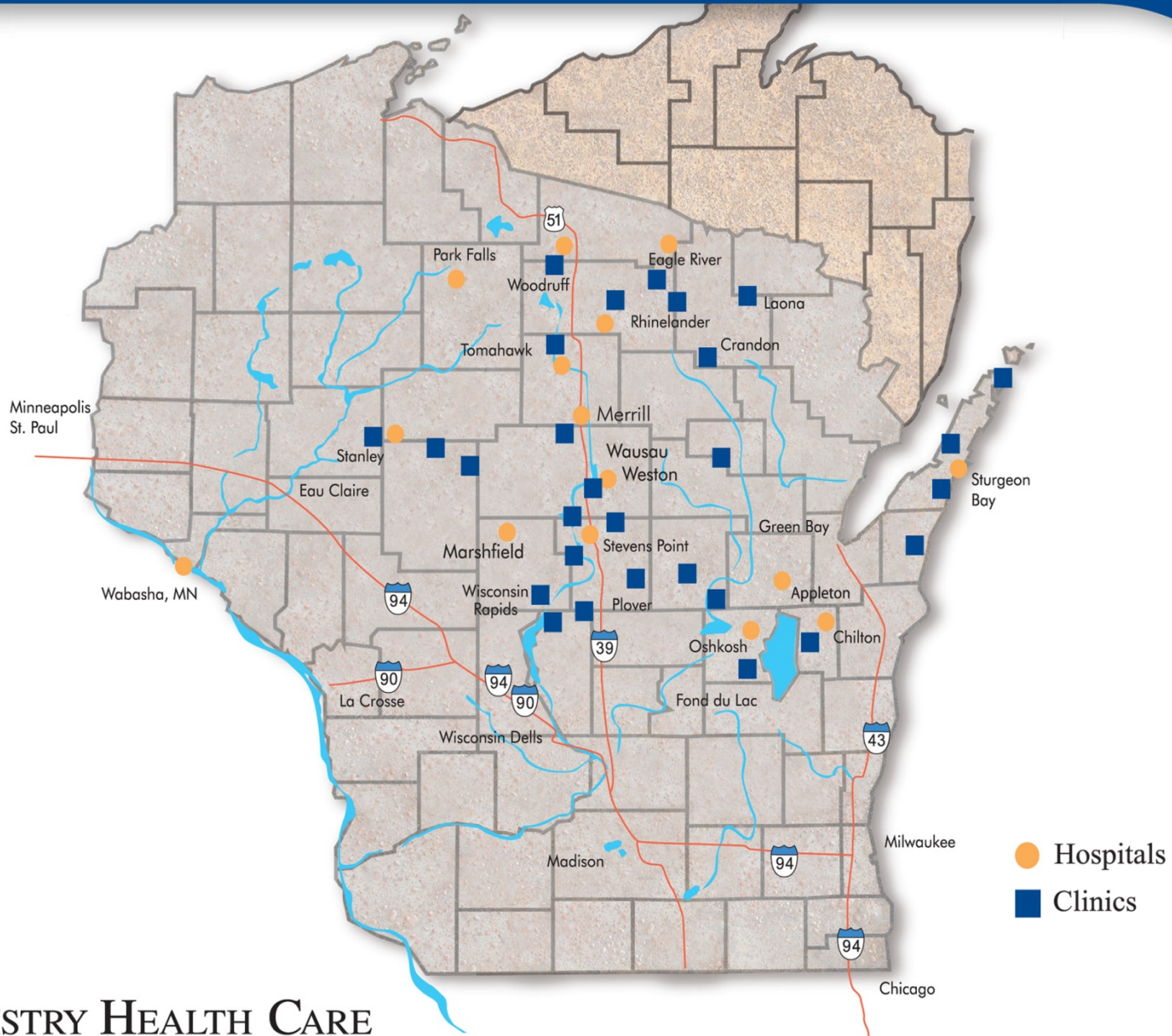
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MINISTRY HEALTH CARE

today. tomorrow. together.



RAC Structure

- Centralized RAC team serving Ministry Health Care and Affinity Health System
 - Medical director (0.5)
 - Administrative director (0.5)
 - Audit and appeal nurses (4)
 - Database coordinators (3)
 - Administrative support (1)
 - Local site liaisons
- Two processing centers
 - Marshfield, WI
 - Appleton, WI

RAC Results Summary

- 10 audit cycles since the program started in early 2010
 - 299,514 pages of records submitted
 - \$0 recouped for failure to meet deadlines or comply with rules
- 1961 complex audits, mostly for DRG validation but medical necessity audits increasing rapidly
 - \$23 Million at risk
 - 1352 no findings (81%)
 - 221 overpayments (13%)
 - 99 underpayments (6%)
 - 289 pending determination (15%)
 - 103 appeals in process (45%)
 - 56 wins and 8 losses (88% of closed claims- most at Level 1)
 - 16 appeals in progress
 - 23 demand letters pending before appeal can be filed

#1 It Starts With Dedicated Resources

- Optimum results require staff who :
 - are trained to respond to recovery audits
 - have time to keep up with the constant flow of program changes
 - can keep track of the little details to ensure that auditor and fiscal intermediary errors are caught
 - who can do follow-up education to help prevent future billing errors
- If poor results are your goal, use staff who must squeeze audit response work into their already overburdened workload and have them figure things out on their own without any training
- For systems, a critical piece of the dedicated resources approach is to centralize your RAC team
 - Experience helps drive improved performance

Advantages of Centralization

- Improved consistency, coordination and quality of RAC efforts across system
- Allows for a more professional staff using processes that are easier to manage
- More efficient communication with RAC auditor and fiscal intermediary (including an audit trail) as well as internal stakeholders and external consultants
 - Focus on respectful relations with no demonizing of the RAC program
- More efficient and effective management of appeals process
- Can react more quickly to new audit types, rule changes, auditor “errors” and other problems

Advantages of Centralization

- Improved capabilities to monitor auditor activities
- Allows for more extensive report production
- Easier to capture opportunities for improvement and helps drive system process improvement efforts to reduce future audit risk
 - Coding
 - Development of a physician advisor program
 - Standardization of case management use of criteria
- Improved justification of technology use and costs (RAC tracking software and document management system)
- Reduced overall administrative cost to system (?)

#2 Hire Right

- The Ministry focus:
 - Professional diversity – nurses, coders, administrative backgrounds
 - Skill diversity – writing, database management
 - Team interviewing and evaluation
 - Look for “fit”
- If you are a team of one, you should focus on finding people who can lend you expertise to make you successful

#3 Culture is Key

- High performance requires a positive culture to deliver the desired result
- Culture is built on a foundation of:
 - Respect for individuals and their talent
 - Trust and ethical behavior
 - Living/modeling the desired culture
- Have fun and celebrate success
- Avoid negative energy
 - We do not demonize the RAC program

#4 Disciplined Process

- We are extremely methodical with a process in place for every aspect of the audit process from first receipt to when we finally close an account
 - Meticulous account tracking with our RAC tracking software
 - We prepare a case summary for each denial
 - Includes RAC argument, key components of the patients chart (from document management system), the opinion of the nurse reviewing the case and any others involved in the review, relevant source material such as Coding Clinics summaries
 - developed as part of the decision process to appeal and updated as the appeal progresses
 - Appeal letters prepared as if going to the Administrative Law Judge from the beginning

#5 Use Your Internal Experts

- All audit denials (overpayments) and underpayments are returned to the local facility for comment and education
 - Provides local input on the decision to appeal
- We have an internal “super” coder with very extensive experience in hospital coding
- We use an internal expert with significant experience with the Administrative Law Judge process

#6 This is a Team Effort

- Site liaisons
- Multidisciplinary steering committee
- System Integrity Committee
- Seek feedback whenever possible
 - We have developed numerous services based on the input from our “customers”
 - You don’t want to be the last to know that your service is not meeting expectations

#7 Learning & Benchmarking

- To keep up with a constantly changing RAC environment we are always on the lookout for educational opportunities
 - CMS publications
 - American Hospital Association – RACTrac
 - State hospital associations
 - RAC Monitor and RAC Shadow websites
 - Numerous law firms
 - Vendor webinars
- We benchmark extensively
 - Nothing beats a direct conversation
- RAC Relief listserv

#8 Over Communicate

- We use multiple approaches to communication depending on the audience
 - Audit intranet site
 - Audit dashboard for leaders
 - Monthly summary for corporate leaders
 - Extensive bimonthly report for our steering committee and System Integrity Committee
 - System-wide presentations for boards and management teams



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Recovery Audit and Appeals Department

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Recovery Audit and Appeals Department

Contact Us

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[Email](#)

The Recovery Audit and Appeals Dept manages and is accountable for the day-to-day aspects of responding to Recovery Audit Contractors (RAC) audits, MAC, Cert, MIC, and ZPIC. The Recovery Audit and Appeals Dept will also handle the appeals process for these entities across the entire Ministry and Affinity system. This centrally managed audit and appeal process (based at Saint Joseph Hospital) ensures timely response to audit requests and meets all response deadlines.

Commercial Insurance Link

This section includes a link to the insurance contracting grid and related information.

[click here](#)

Compliance 360

This section includes the link to the Compliance 360 software, the User Guide for the facility contacts, instructions on how to change your Compliance 360 password, and a list of the Ministry and Affinity Facility Contacts.

[click here](#)

RAC Region B Information

This section includes a link for the CGI website and samples of letters from CMS.

[click here](#)

RAC Relief List Serve

We created this list as a way for anyone involved in responding to Medicare's Recovery Audit Contractor program to communicate with one another.

For this e-mail list to be successful, we need your participation.

[click here](#)

Executive Dashboard

This section includes an explanation, instructions for and a link to the executive dashboard.

[click here](#)

#9 Create Value - Education

- Direct feedback to coders and providers
- Documentation improvement education
 - Excisional debridement, sepsis and etc.
- Coding newsletter related to RAC issues
- Order set development for CPOE system
- Meetings with case management, health information management and compliance teams
- Education for boards, management teams and medical staff
 - Documentation improvement
 - Complexity of coding

#10 Add a Touch of Paranoia

- Talented people tend to be highly competitive and worry that they aren't quite good enough
- They don't settle for good enough
- Harness that energy with special projects that allow them to use their talents

#11 Physician Support

- Dedicated physician advisor(s)
 - Support the analysis of denials and development of appeals
 - Reduce the need to involve individual physicians
 - Respond in a more timely fashion than the individual physician whose case is being reviewed
 - Can develop a high level of experience with the appeal process
 - Can more reliably support the Administrative Law Judge hearing process

Questions?

- For additional information or to be added to the RAC Relief Listserv, please direct requests to:

larry.hegland@ministryhealth.org

or

<http://groups.google.com/group/rac-relief>

or

715-393-2487