Medicare Administrative Contractor Role in the Medicare Recovery Audit Process

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Agenda

- Recovery Audit Mission

- MAC Medical Review

- Recovery Review Audit Process

- Recovery Auditor Responsibilities

- MAC's Role

- Communication

- Collection Process

- Appeals Process

- Resources

Objective

- To provide an understanding of the Medicare administrative contractor's (MAC) role in the recovery auditor review process

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Did You Know...

- Medicare receives over 1.2 billion claims per year
- This equates to:
  - 4.5 million claims per work day
  - 574,000 claims per hour
  - 9,579 claims per minute

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Mission of the Medicare Recovery Audit Program

- Recovery Audit Program's mission is to reduce Medicare improper payments through:
  - efficient detection and collection of overpayments,
  - identification of underpayments, and
  - implementation of actions that will prevent future improper payments

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Medicare Administrative Contractor Review Process

- Progressive Corrective Action (PCA)
  - Data Analysis
  - Validation
  - Calculation
  - Corrective Action
  - Reevaluation

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MAC Medical Review

- Data Analysis
  - Claims history files
  - Comprehensive Error Rate Testing (CERT) findings
  - Office of the Inspector General (OIG)
  - Centers for Medicare & Medicaid Services (CMS) request
  - Recovery Auditor

MAC Medical Review

- Validation
  - Notification and documentation requested
  - Medical Review
    - Pre-pay
    - Post-pay

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MAC Medical Review

- Calculation
  - Claims Error Rate (CER)
  - Payment Error Rate (PER)

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MAC Medical Review

- Corrective Action
  - Pre-payment review
  - Post-payment review
  - Education
  - Benefit integrity (zone program integrity contractor (ZPIC))

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MAC Medical Review

- Reevaluation
  - PCA effectiveness
  - Reduce error rate

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Recovery Audit Review Process

- RAC requests claims from CMS
- RAC requests claims based on data
- RAC reviews documentation (complex review) or claim (automated review) and makes determination
- Claim adjusted: over/underpayment notice

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Recovery Auditor Responsibilities

- Identifying improper payment

- Issuing demand letter (until 2012)

- Uploading dates/amounts of letters to RAC Data Warehouse

- Customer service

- Research required to determine status of claim

- Educate on their business, purpose and responsibilities

MAC's Role in RAC Process

- Adjusting claims
- Applying recoupments
  - Immediate offset
  - Collection
- Uploading to RAC Data Warehouse
- Customer service
- Notifying recovery auditor when account receivable is created
- First level of appeal
- Educate on Medicare policy

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Communication Between MAC and Recovery Auditors

- Joint Operating Agreement
- MAC and recovery auditor relationship is crucial
- Meetings between RAC and MAC
- Referrals to RAC
- MAC will notify recovery auditor and CMS of any appeal request/outcome
- Reports

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Collection Process

- Carriers, FIs and MACs issue remittance advice
  - Remark Code N432: "Adjustment Based on Recovery Audit"
- Demand letters sent by MAC (effective 2012)
  - Discussion period begins
  - Appeals timeline starts
- Carrier, FI, MAC recoups by offset unless
  - Provider has paid in full
  - Submits a valid appeal by day 30

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Appeal Process

- Appeal process for RAC denials is same as appeal process for carrier/FI/MAC denials

  – If you disagree with RAC determination

    • Take advantage of RAC discussion period

    • File an appeal before 120th day after demand letter

      – File within 30 days of demand letter to stop recoupment of funds

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Successful Appeals

- Provider is reimbursed for covered items/services
  - Any funds we have recouped and any interest paid (by provider) will be repaid to provider

Resources

- RAC Web site: www.cms.gov/RAC
  - Frequently asked questions
  - Updates
  - RAC statement of work
  - Fact sheet
  - Appeals information
  - Documentation Limits
- RAC e-mail: RAC@cms.gov

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Resources

- 935 Process
  - https://www.cms.gov/MLNMattersArticles/downloads/MM6183.pdf

- Appeal
  - Appeal Process
    - http://www.cms.gov/MLNProducts/downloads/MedicareAppealsprocess.pdf

Resources

- CERT Web Site
  - www.CERTprovider.org
- CERT Reports
  - www.cms.gov/cert
- Office of Inspector General Reports
  - http://oig.hhs.gov/reports-and-publications/index.asp

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Thank You!!

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