

S. 1012 RAC Relief

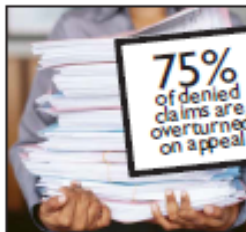
The Recovery Audit Contractor (RAC) program implemented by the Centers for Medicare and Medicaid (CMS) has led to a flood of inappropriately denied claims, medical record requests and subjective record reviews at Johns Hopkins Medicine and at hospitals across the country.



Hopkins received 3,296 medical record requests from outsourced CMS auditors in 2012.



The deluge is diverting time, resources and attention away from medicine and patient care.



Nearly three quarters of all Johns Hopkins' denied claims are overturned on appeal.

Hopkins has millions of dollars of Medicare claims at risk, further adding to the already growing fiscal strain and threatening to erode the level of care for Medicare beneficiaries.

We urge you to co-sponsor S. 1012, the Medicare Audit Improvement Act of 2013, which will provide needed oversight of CMS audit contractors and ensure the accuracy of Medicare and Medicaid payments.

Johns Hopkins has come under a deluge of Medicare record requests from contracted auditors.

Hopkins received 3,296 medical record requests from outsourced CMS auditors in 2012—twice as many as 2011—creating a \$4 million administrative burden.

The deluge is diverting time, resources and attention away from medicine and patient care.

S. 1012 provides a limit on the number of medical record requests.

RAC auditors routinely deny payment for patient care that Hopkins physicians deemed necessary.

Johns Hopkins challenges 93 percent of cases in which the initial RAC determination is a denial.

Despite Johns Hopkins' rigorous pre-claim review process, RAC's default position is to deny claims.

Outsourced, contracted RAC auditors lack appropriate clinical experience.

Auditors are paid by CMS on a contingency fee only, receiving a percentage of all "recovered" dollars. There is no CMS penalty for RACs inappropriately denying claims.

S. 1012 requires a physician to review the claim.

RAC appeal process is arduous and subjective.

Cases in the five-stage appeal process routinely take longer than three years to resolve.

Nearly three quarters of all Johns Hopkins' denied claims are overturned on appeal.

The appeal process is so costly and labor-intensive that frequently some hospitals take a loss rather than go through an appeal.

S. 1012 ensures reasonable and timely due process appeals for claim re-openings.

We urge you to sponsor The Medicare Audit Improvement Act of 2013 (S. 1012), a timely, reasonable response that will provide much-needed relief to America's hospitals, including Johns Hopkins. The bill will make the overall auditing effort more transparent, timely, accurate and administratively reasonable.



JOHNS HOPKINS
MEDICINE