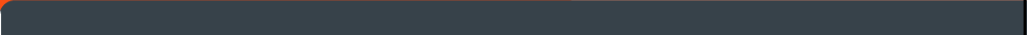




RAC Stakeholders: Finding Some Common Ground?



Maria Perrin
RAC (and MAC) Summit
December 5th, 2013



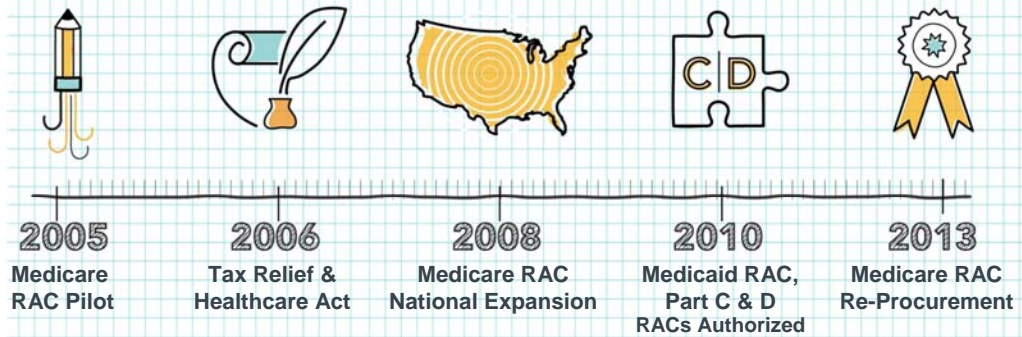


AGENDA

- » RAC History
- » Contract Updates
- » Stakeholders
- » Common Ground
- » Points of View
- » Recommendations

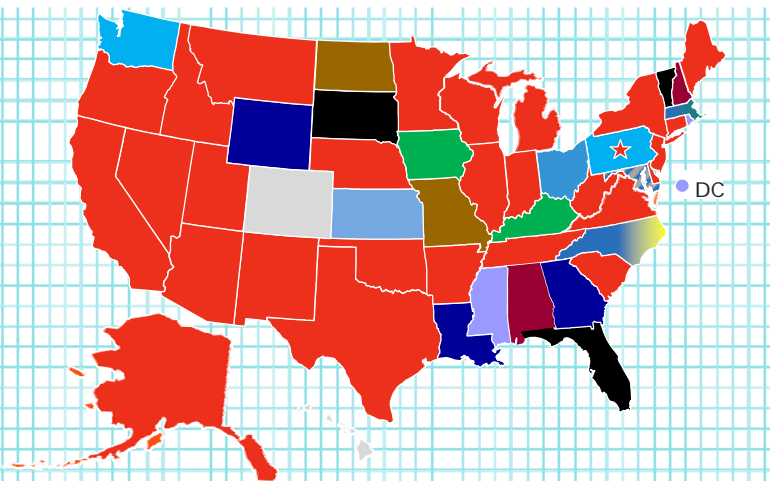


RAC HISTORY



MEDICAID RAC CONTRACT UPDATES

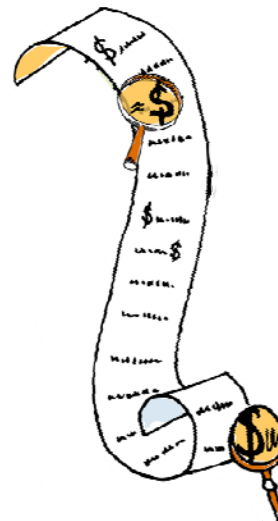
- HMS
- ★ HMS Subcontractor
- HDI
- PRGX
- OptumInsight
- PCG
- CGI
- Cognosante
- Goold Health
- HCA
- Myers & Stauffer
- Washington & West
- Award Pending
- No RFP (per SPA)



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MEDICAID RAC CONTRACT UPDATES

- » Contract scope varies widely by state
- » Managed care audits not mandatory
- » Significant coordination required
- » Reporting requirements



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MEDICARE RAC CONTRACT UPDATES

- » Procurement Re-Released on Fall 2013
- » National DME RAC Contract added
- » Current RAC contracts extended through 2015



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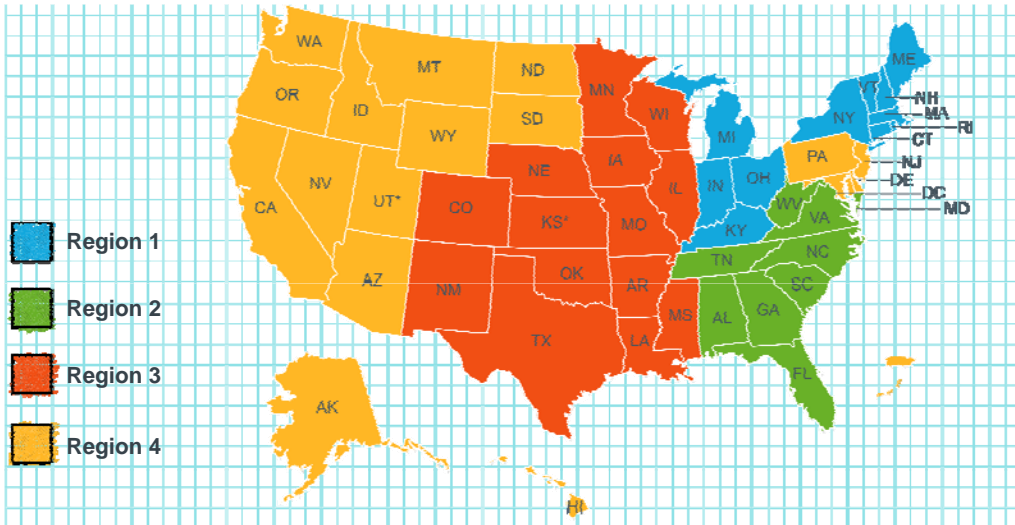
MEDICARE RAC CONTRACT UPDATES

- » Corrections to date = \$7 Billion
- » Two-Midnight Rule
- » Audit Moratorium



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MEDICARE RAC CONTRACT UPDATES



RAC STAKEHOLDERS

- » Providers
- » Contractors
- » CMS / HHS
- » Medicaid Agencies
- » Congress
- » State Legislatures and Administrations
- » Claims Processors
- » ALJ
- » Medicare and Medicaid Recipients
- » Tax Payers
- » Other Government Agencies



VARIOUS POINTS OF VIEW

PROVIDERS



CONTRACTORS



PROVIDERS

- » Administrative and cost burden
- » Too many auditors and duplicative audits
- » Clinical decisions should not be questioned
- » Impact on ability to provide quality care
- » Can't control physician orders
- » Appeals process is broken
- » Results indicate unjustified audits
- » Dollars held hostage
- » RAC fee structure promotes assertiveness





CONTRACTORS

- » Take on substantial investment risk
- » Data gaps are prevalent
- » Audit scenarios take long to approve
- » States don't have authority/willingness to recover
- » Medicare RAC rules should not apply to Medicaid RAC
- » CMS policies don't always consider impacts
- » Conflicting Medicare and Medicaid regulations
- » Transparency controlled by CMS or Medicaid Agency
- » Appeals process is broken



COMMON GROUND

- » Medicare and Medicaid must be sustainable
- » Root out fraud and bad actors
- » Improve improper payment rate (both overpayments and underpayments)
- » More process efficiency needed
- » Increase transparency and education
- » Improve the appeals process
- » Have a standard set of reporting





RECOMMENDATIONS

- » Improve transparency through technology and direct communications
- » Facilitate use of electronic data and improve data sources
- » CMS policy makers must engage with providers and contractors
- » Appeals process should be streamlined, use more standards
- » Define responsibilities of all audit and claims processing
- » Create a resolution process for discrepancies between federal and state policy
- » Standardize results reporting



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CONCLUSIONS

- » Common ground exists for RAC stakeholders
- » Programs can be improved
- » Both providers and contractors are seeking efficiencies and transparency
- » Policy engagement and process definition are key



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