

Recovery Audit Contractors (RAC) Updates

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Program Trivia

How RAC-savvy are you?

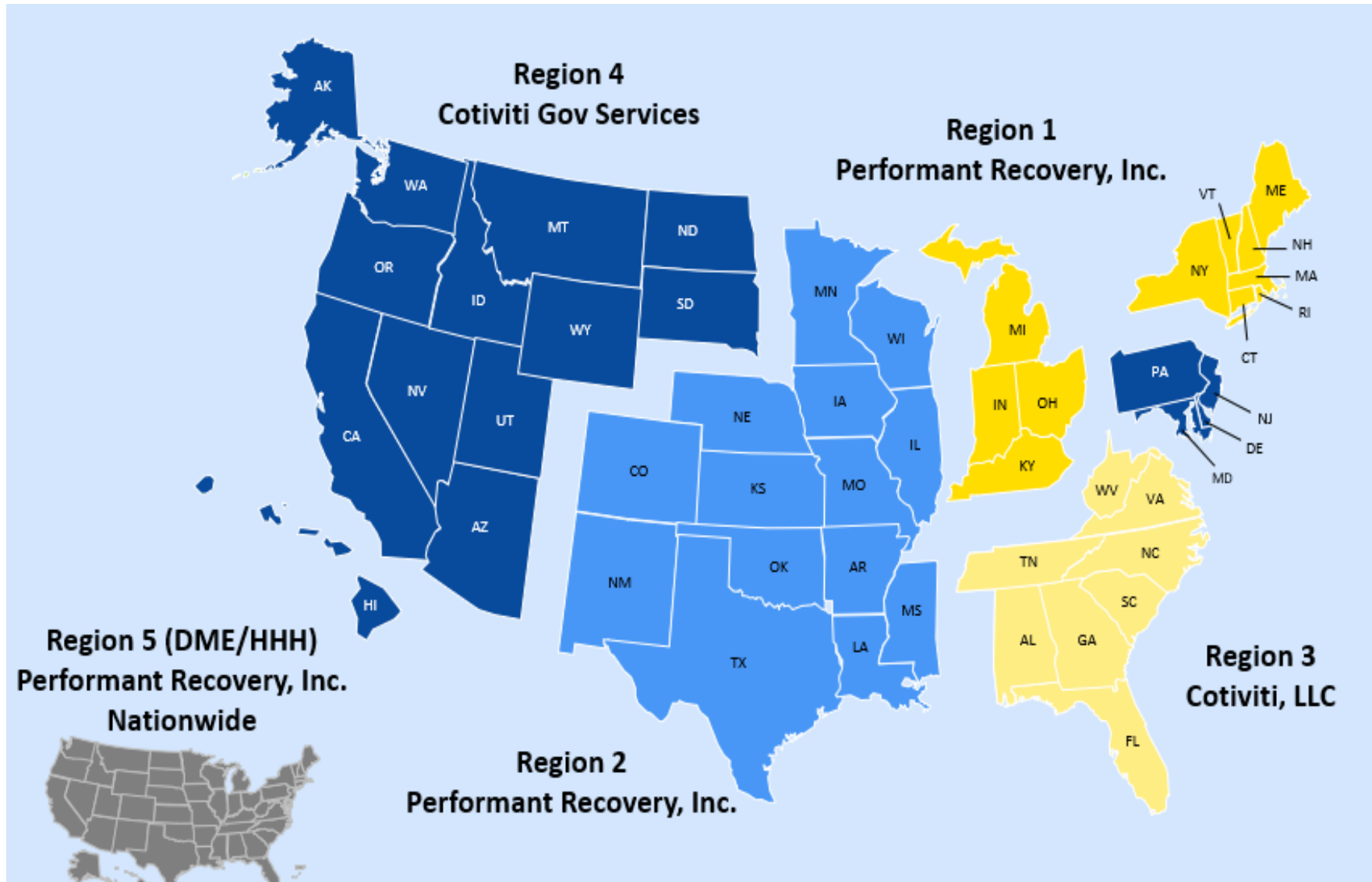


Program History



- *The Medicare Prescription Drug, Improvement, and Modernization Act of 2003* mandated the establishment of a RAC demonstration project that occurred in three states from March 2005 to March 2008, in which RACs identified over \$1.03 billion in improper payments.
- *The Tax Relief and Health Care Act of 2006* required the Secretary of Health and Human Services (HHS) to establish a national RAC program by January 1, 2010. Four RAC regions were operational by October 2009.
- Currently, there are 5 distinct RAC Regions:
 - RACs in Regions 1-4 perform post-payment reviews to identify and correct Medicare claims specific to Part A and Part B (with the exception of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) and Home Health/Hospice (HH/H) claims.
 - Region 5 RAC is dedicated to the review and correction of DMEPOS and HH/H.

RAC Regions



If you are selected for review by the RAC...



Don't panic! And keep in mind:

- RACs focus their reviews on items and/or services.
- Providers can prepare for RAC review by being aware of items and/or services proposed and approved for review.
 - These topics are listed on both the CMS Medicare FFS RAC website and the individual RACs' websites.
 - Each topic includes a description as well as the references the RAC is approved to use in their review.

Approved RAC Topics (via CMS.gov)



<u>Issue Name</u> ▼	<u>Review Type</u>	<u>Provider Type</u>	<u>MAC Jurisdiction</u>	<u>Date Approved</u>
<u>0001 - Inpatient Hospital MS - DRG Coding Validation</u>	Complex	Inpatient Hospital	All A/B MACs	2017-02-01
<u>0002 - Cataract Removal: Medical Necessity and Documentation Requirements</u>	Complex	Ambulatory Surgical Center (ASC); Outpatient Hospital	J6, J15, JE, JF, JH, JJ, JK, JL, JM, JN	2017-02-01
<u>0003 - Sacral Neurostimulation: Medical Necessity and Documentation Requirements</u>	Complex	Ambulatory Surgical Center (ASC); Inpatient Hospital; Outpatient Hospital; Professional Services	Urinary incontinence- All A/B MACs; Fecal incontinence- JE, JF, J15	2017-02-01

Responding to Additional Documentation Requests (ADR)



Act promptly. Medical records/documentation should be sent to the RAC within 45 days of the request. If you need additional time, request an extension.

- Review the ADR letter to determine which review topic applies to the claim(s) selected by the RAC.
- Check the Approved Review Topic website to understand the scope of the review.
- Collect all documentation/medical records in support of the claim and submit timely.
- Confirm the RAC received the medical records.

The Review Results



Whether **medical records were submitted** for review, or the RAC conducted an **audit based on the information on the “face of the claim,”** the provider will receive **the outcome of the review** by way of a **Review Results Letter and/or the Provider Portal.**

This letter is **YOUR OPPORTUNITY** as a provider.

Maybe you **agree with the RAC finding(s)** and you can implement changes to avoid future improper payments.

Maybe you **disagree with the RAC finding(s)...**

If You Disagree



Act quickly. You are afforded the opportunity to have the RAC take another look at their decision/finding(s). But a request to do so (“**Discussion Period**”) must be made within 30 days of receipt of the Review Results.

Instructions for filing a “Discussion Period” request are available on the Review Results Letter and the individual RACs’ websites. You can also reach out to their Customer Service(s) for assistance in locating the filing instructions.

Next, confirm via the Provider Portal that the Discussion Period request was received by the RAC.

If a RAC receives a request for Discussion after the time frame (30 days) has passed and the claim(s) has been sent to the MAC for adjustment, the RAC contractually cannot honor the request.

Discussion Period Request



You have options:

1. You can submit **additional documentation** to support your claim.
2. You can ask that a **peer-to-peer** be scheduled, allowing a provider who cared for the patient in question to discuss the claim **with the RAC's Medical Director**.
3. You can **highlight areas of the medical record** that you believe the RAC should draw their attention to.
4. You can also **ask for an extension** during this time.

Discussion Outcomes



Did you know **CMS encourages the RAC to overturn a decision** during the discussion period if an improper payment doesn't exist?

The Discussion Period is the preferred process for avoiding an appeal for an appropriately paid claim.

If the **RAC overturns their initial findings**, the claim is not sent to the MAC or adjusted.

If the **RAC maintains their initial findings**, the claim is sent to the MAC either 30 days after sending the RRL to the provider or completion of the Discussion Period and adjusted as appropriate.

If you disagree with the outcome of the Discussion Period, every provider is afforded an opportunity to appeal the RACs' determination.

Instructions for filing an appeal are included on all results letters, including results of the Discussion.

An appeal can be filed once the **Demand Letter is issued by the MAC.**

The first level of appeal is called a “redetermination” and is handled by the MAC.

But there are a total of five (5) levels in the Original Medicare Part A and Part B appeals process. *If the RACs' finding is **overturned at any level, they do not earn their contingency fee.***

We Are Always Improving



While CMS tracks **review outcomes, Discussion Periods, and appeals** closely to **inform decision-making**, we always appreciate **insight from the Industry (that's you!)**.

Please check our Medicare FFS RAC Program and Resources websites frequently.

Review the Proposed Review Topics posted.

Be aware of the Approved Review Topics posted.

And reach out with feedback, questions, or concerns at any time via our resource mailbox: RAC@cms.hhs.gov

Questions

You can also send your questions to the RAC@cms.hhs.gov box at any time.

