Indiana Hospital Association

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www.IHAconnect.org

Medicare and Medicaid Recovery Auditor Newsletter

March 2014

If there are any RAC concerns that need to be addressed with CGI, HMS, Truven Health Analytics, OMPP or CMS, please contact Dave Wiesman, IHA Vice President, at dwiesman@IHAconnect.org or 317-423-7741.

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CMS News

On March 7, 2014, CMS posted to the RAC web page that although Additional Documentation Request (ADR) letters were discontinued on February 21st due to the procurement process for the next round of Recovery Auditors, a http://www.aha.org/content/14/140310-aha-supp-brief.pdf utomated reviews would continue through June 1, 2014.

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AHA News

This month AHA and the five hospital systems that filed a lawsuit against CMS issued a supplemental brief denying that policy changes made by CMS last March or in the final inpatient prospective payment system rule for fiscal year 2014 make their legal challenge to the CMS's rebilling policy moot. The lawsuit challenges CMS's decision to impose a time limit for hospitals to rebill Medicare under Part B for inpatient claims denied by Recovery Audit Contractors, "a policy that leaves providers with no way to obtain payment for medically necessary care to beneficiaries because of the delinquent timing of RAC clawbacks," the brief states, responding to specific inquiries from the court. Some of the claims included in the litigation "have not been paid, have no prospect of being paid and have reached a dead end in the administrative process," all of which support waiving the legal requirement for administrative exhaustion of the claims before court review, the groups said. The brief offers to file an amended complaint if the court finds it necessary and renews the plaintiffs' request for oral argument. The brief can be located at http://www.aha.org/content/14/140310-aha-supp-brief.pdf.

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4th Quarter RAC*Trac*

- Only 1,240 hospitals participated in the 4th Quarter AHA's RAC*Trac* data collection. The following are significant figures:
- 65% of hospitals indicated short-stay medical necessity denials were the most costly denials.
- 64% of those denials were for the wrong setting not because the care was medically unnecessary.
- 9,000 claims were reported withdrawn from the appeal process by hospitals during 4th quarter.
- 49% of hospitals reported having a denial reversed through the discussion period.
- 67% of all appealed claims are still sitting in the appeals process.
- 49% of hospital reported that over three-fourths of their claims requested were after the timely filing window had elapsed.

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New Issues Posted to the CGI RAC B Website in March – (all are automated!)

Issue Name: CAH Polysomnography Services Correct Coding CGS
Claim Type: Outpatient - Critical Access Hospital (CAH)
Issue Type: Automated
Issue Number: B000092014

Issue Name: DME Glucose Monitor Unbundling
Claim Type: DME
Issue Type: Automated
Issue Number: B001762013

Issue Name: DME Glucose Testing Supply A4258
Claim Type: DME
Issue Type: Automated
Issue Number: B001772013

Issue Name: OP Polysomnography Services Correct Coding J15 (CGS)
Claim Type: Outpatient
Issue Type: Automated
Issue Number: B000122014

Issue Name: PF Observation Care Billed with Discharge Services on the Same Day - J15 (CGS)

Claim Type: Professional
Issue Type: Automated
Issue Number: B001812013

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Web-sites

Region A RAC: https://www.performantrac.com/Default.aspx
Region B RAC: https://racb.cgi.com/Default.aspx
Region C RAC: http://www.connolly.com/healthcare/pages/ApprovedIssues.aspx
Region D RAC: https://racinfo.healthdatainsights.com/Public1/NewIssues.aspx