



1 American Square | Suite 1900 | Indianapolis, IN 46282

www.IHAconnect.org

Medicare and Medicaid Recovery Auditor Newsletter

February 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.

CMS News

CMS is currently in the procurement process for the next round of recovery auditor contracts. On February 19, CMS announced a RAC work stoppage and program changes due to the procurement process until new contracts are in place. CMS plans to award five regional RA contracts. Through this transition, there will be a cease of active work by the current RACs. Important dates are as follows:

- **February 21, 2014 is the last day a Recovery Auditor may send a post payment Additional Documentation Request (ADR).**
- February 28, 2014 is the last day a MAC may send **prepayment** ADRs for the Recovery Auditor Prepayment Review Demonstration.
- June 1, 2014 is the last day a Recovery Auditor may send improper payment files to the MACs for adjustment.

CMS also announced some changes to the RAC program based on industry concerns. These changes will become effective with the new contract awards. The changes are listed below:

Concern

- Upon notification of an appeal by a provider, the Recovery Auditor is required to stop the discussion period.
- Providers do not receive confirmation that their discussion request has been received.
- Recovery Auditors are paid their contingency fee after recoupment of improper payments, even if the provider chooses to appeal.
- Additional documentation request (ADR) limits are based on the entire facility, without regard to the differences in department within the facility.
- ADR limits are the same for all providers of similar size and are not adjusted based on a provider's compliance with Medicare rules.

Program Change

- Recovery Auditors must wait 30 days to allow for a discussion before sending the claim to the MAC for adjustment. Providers will not have to choose between initiating a discussion and an appeal.
- Recovery Auditors must confirm receipt of a discussion request within three days.
- Recovery Auditors must wait until the second level of appeal is exhausted before they receive their contingency fee.
- The CMS is establishing revised ADR limits that will be diversified across different claim types (e.g., inpatient, outpatient).
- CMS will require Recovery Auditors to adjust the ADR limits in accordance with a provider's denial rate. Providers with low denial rates will have lower ADR limits while provider with high denial rates will have higher ADR limits.

CMS also issued an update to its Inpatient Hospital Prepayment Review "Probe & Educate" review process (or "2 Midnight" policy) on January 31, 2014. As part of this update, CMS announced that the RACs and other Medicare review contractors will not conduct post-payment patient status reviews of inpatient hospital claims with dates of admission on or after October 1, 2013 through October 1, 2014. The Medicare Administrative Contractors (MACs) will continue to conduct prepayment probe and educate reviews through September 30, 2014.

AHA News

AHA continues to urge CMS to address all of the concerns related to the RAC program. For a review of AHA's letter to Marilyn Tavenner, Administrator at CMS go to <http://www.aha.org/advocacy-issues/letter/2014/140114-let-aljdelays.pdf>

CGI News

CGI continues to work on web portal upgrades based on suggestions from providers such as the capability to sort by issue number and export issues to excel spreadsheets.

New Issues Posted to the CGI RAC B Website in February

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

Issue Name: DME Home Glucose Testing Supplies
Claim Type: DME
Issue Type: Automated
Issue Number: B001772013

Issue Name: Excessive Units of Hospital Visits - NGS
Claim Type: Professional
Issue Type: Automated
Issue Number: B001872013

Issue Name: PF Observation Care Billed with Discharge Services on Same Day - J6 (NGS)
Claim Type: Professional
Issue Type: Automated
Issue Number: B001792013

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>