



What's up Doc? case management news

The RAC is coming!!

What is the RAC and why should I care?

Centers for Medicare Services have established a post-payment claim review program called the RAC

“RECOVERY AUDIT CONTRACTORS”

The RAC Mission:

To reduce Medicare improper payments by detecting overpayments and underpayments and the implementation of actions that will prevent future improper payments.

So why should I worry?

The La. audits are not scheduled to start until **8/1/09!**

However, the audit period includes claims dating back to **10/1/07.**

As of March 2008, the RAC had identified more than **\$1.03 Billion** in Medicare improper payments. **96%** were in overpayments

The Kicker!!

The RAC auditors will be paid on a **CONTINGENCY fee basis.**

The Process:

- Based on actual and/or suspected improper payments, RAC request the refund of the Medicare payment.
- The RAC may request the medical record for review
- Payment error decision is made by RAC and notification letter is issued to the provider.
- The provider has the right to appeal the decision or CMS keeps the recouped payment.

In-patient Overpayment breakdown:

(examples)

- Surgical procedures in wrong setting (medical necessity)
- Excisional debridement (incorrectly coded)
- Tx of CHF in wrong setting (medical necessity)
- Respiratory dx w/ vent support (incorrectly coded)

Out-Patient Overpayment breakdown:

- Neulasta (medically unnecessary)
- Speech-lang. pathology services (medically unnecessary)
- Infusion services (medically unnecessary)

Improper payments can occur in the Medicare program when:

- Services don't meet medical necessity criteria
- Services are incorrectly coded
- No documentation or insufficient documentation

HCSO is gearing up for the RAC by:

- Contracting with a consultant
- Establishing a multi-disciplinary team
- Executive briefing
- Compliance chart reviews of problem areas



They'll be SEARCHING !!\$!!\$!!\$

This is the first time the Medicare program has paid contractors on a contingency fee bases for claim review and overpayment collection work.

Questions? Contact Debbie Picou, RN 873-1833
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