



By Bret S Bissey, FACHE, MBA

ED. NOTE:

As reported earlier on racmonitor.com, the South Florida Hospital and Healthcare Association held their Recovery Audit Contractors Seminar in Fort Lauderdale, Florida on March 27. Contributing Editor Bret S. Bissey, FACHE, MBA, and a director for IMA Consulting, participated as a speaker and shares his insights on that session in today's Special Bulletin.

CMS representatives Commander Marie Casey and Ms. Amy Reese gave a very insightful and informative session on the RAC Program from the perspective of CMS. They offered that they would not be able to comment upon the findings of the Demonstration Project in Florida and any associated account process and appeal specifics.

Here, however, are some specifics of their session

- The importance to protect the integrity and value of the Medicare Trust Fund
- There are 4.5 million Medicare claims processed for payment daily, with that volume the RAC is necessary to assure proper payment.
- In 2007, there were \$11 billion of improper payments
- In 2008, the error rate of claims decreased which reduced improper payments by approximately \$400 million.
- RACs will not be able to review claims paid prior to October 1, 2007.
- Improvements from the Demonstration Project include that the RAC must offer the provider the opportunity to initially discuss the improper payment determination (outside of the normal appeal process).

- Issues reviewed by the RAC will be approved by CMS prior to a "widespread" review. These approved issues will be posted to the applicable RAC Web site prior to a widespread review commencing.

- There will be a RAC Validation Contractor assigned to independently review the work/findings of the RAC.

- CMS highlighted three keys to the RAC Program being successful:

- Minimize Provider Burden
- Ensure Accuracy
- Maximize Transparency

They provided details for each category. Namely...

- RACs will be required to accept imaged medical records on CD/DVD. Although, the RAC representative later commented that their requests to providers will be on "paper" in the short term to protect patient privacy.

- Acknowledged that there is confusion and the potential for inconsistencies given the use of the National Provider Identification (NPI) number being used to identify providers with the formula to determine the number of medical records a provider will receive every 45 days.

- To ensure better accuracy all RACs are required to employ certified coders, nurses and/or therapists and a physician.

- An internal board of CMS representatives will perform oversight of the types of audits being performed by the RAC.

- If the RAC loses an appeal at any level, the RAC must return the contingency fee.

- Increased transparency will be achieved. New issues, vulnerabilities, detailed review results will all be posted to the website. It is planned that dollar findings will be posted quickly.

- Advised providers to have the person(s) assigned who will be in charge of medical records response coordination.

Ms. Christine Castelli of Connolly Healthcare conducted the next session of the seminar. Some of the highlights of this session included the following:

- RAC will work very hard to assure accuracy.
- "Our job," she said is "to analyze root causes of those improper payments and provide actionable process improvement recommendations to CMS that prevent or mitigate future improper payments."
- Provided overview/background information about their physician representative.
- Spoke of the sophisticated scanning technology and storage facility at their offices in Philadelphia.
- Provided recommendations on how to send records to them, including the request to have information submitted via CD/DVD.
- They have in their possession all inpatient data for Florida at this point.
- Offered contact information for providers to communicate with them if they have questions.

Rochelle Archuleta, Senior Director of Policy of the American Hospital Association conducted the next session. Ms. Archuleta gave an overview of all the AHA initiatives regarding RAC. She also highlighted several areas of the RAC program that AHA has recommended to be changed. The audience was very appreciative of these insights and opinions of the AHA.

Finally, there was a panel discussion that consisted of the audience and moderator, Mike Smith, Senior Manager, Ernst and Young, directing questions to the panel. The panel consisted of the aforementioned experts, Ms. Linda Barbian, Bethesda Memorial Hospital and myself. There were numerous topics discussed including details about the appeal and repayment process.

Two topics received much interaction from the audience. One was the issue of extrapolation of claims findings by the RAC and the other being what providers who currently are operating under a Corporate Integrity Agreement or any other probationary directive might expect to receive from the RAC regarding audits. Both topics elicited a spirited discussion amongst the panel and audience.

Communication is always valuable to help individuals understanding complicated issues. The RAC is a complicated issue, Connelly has communicated to providers in Florida that they are committed to having an open dialogue to ensure the accuracy and minimal disruption to the Florida Healthcare System.

I think it would be wise for the Florida hospitals and all other states to demand this continual communication/interaction with the RACs

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About the Author

Bret S. Bissey is a nationally recognized expert in healthcare compliance. He is the author of the Compliance Officer's Handbook, published in 2006, and has presented at more than 40 regional and national industry conferences/meetings on numerous compliance topics. He has over 25 years of diversified health care management, operations and compliance experience.

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