Indiana Hospital Association
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Medicare and Medicaid Recovery Auditor Newsletter

August 2015

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

The Centers for Medicare & Medicaid Services (CMS) extended through December 31 the partial enforcement delay of the two-midnight policy. The current delay was set to expire September 30. Under the extension, Recovery Audit Contractors are prohibited from conducting post-payment patient status reviews for claims with dates of admission from October 1 through Dec. 31, 2015. In addition, CMS provided further details related to previously announced changes in the agency's education and enforcement strategies for patient status claims. Specifically, beginning Oct. 1, Quality Improvement Organizations (QIOs) will assume responsibility for conducting initial patient status reviews to determine the appropriateness of Part A payment for short-stay inpatient hospital claims. From Oct. 1 through Dec. 31, 2015, patient status reviews conducted by the QIOs will be based on Medicare's current two-midnight policy. Beginning Jan. 1, 2016, patient status reviews will be conducted in accordance with any policy changes finalized in the Outpatient Prospective Payment System (OPPS) rule and effective in calendar year 2016. In addition, CMS announced that the third round of Probe and Educate reviews is expected to be completed by Sept. 30, 2015.

Effective August 1, 2015, CMS has provided clarification to Medicare Administrative Contractors (MACs) and Qualified Independent Contractors (QICs) regarding the scope of review for redeterminations and reconsiderations of claims. In Special Edition Article SE1521, CMS has instructed MACs and QICs to limit their review to the reason the claim or line item was initially denied. Prior to Aug. 1, MACs and QICs had the discretion to develop and review all aspects of coverage and payment resulting in an unfavorable appeal decision for a different reason. This clarification relates to post-payment reviews only and will not be applied retroactively. Specifically, appellants will not be entitled to request a reopening of a previously (prior to August 1) issued redetermination or reconsideration for the purpose of applying this clarification.

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CGI NEWS

CGI has been informed by CMS that the current contract extensions for the recovery audit program will be extended through July 31, 2016.

Last month CGI told the Hospital Associations that they continue to have providers that are not responding to outstanding record requests and they would begin technical denials for non-submission. In August, CGI has issued technical denials to a three Indiana providers for non-submission of medical records.

CGI has asked the Hospital Associations to remind providers to update their contact information on the Provider Portal. They will continue to contact providers with outstanding records, however technical denials will continue for noncompliance.

The next ADR round is scheduled for September 4th. This round will include therapy and all approved complex issues.

CGI's August accuracy rate is 99% as completed by the RAC Validation Contractor (RVC).

A grand total of 745 claims were reviewed via the Discussion Period process. The total included inpatient, outpatient and professional claim denials. Of that total, 46 decisions were modified, 480 decisions were reversed, and 219 decisions were upheld.

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