



1 American Square | Suite 1900 | Indianapolis, IN 46282

[www.IHAconnect.org](http://www.IHAconnect.org)

## ***Medicare and Medicaid Recovery Auditor Newsletter***

### ***May-June 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](mailto:dwiesman@IHAconnect.org) or 317-423-7741.

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#### **CGI NEWS**

CGI is reviewing statuses in the provider portal to ensure accurate settings and reviewing the steps to ensure that the provider portal is providing the necessary data. In addition, they are reviewing the list of current status settings and determining what additional status might be helpful to the providers. Some of the status updates are as follows: Reminder Letter Sent, Documentation Request Cancelled (if prior to receipt of medical records), Review Cancelled (if after receipt of medical records; Adjustment Cancelled (if after adjustment sent). Portal status changes are in development and CGI anticipates these changes to be implemented in July/August. All providers should ensure that their contact information is current on the provider portal. If there are any issues contact the CGI Call Center.

CGI utilized the new ADR letter format for the round of letters that were sent out on June 3rd. 4,609 requests were sent to Indiana Hospitals. A previous round of ADR letters were sent on May 26<sup>th</sup>. There are still outstanding records from providers that are past 45 days. CGI's Call Center is contacting providers and 2<sup>nd</sup> reminder letters are being sent.

CGI announced that there were 374 discussion period requests of which 223 decisions were reversed. 182 of these were related to drug reviews. CGI feels that changing the language in the medical record section of the ADR that specifically indicates what documentation to submit for drug reviews has led these reversals.

CGI has indicated that they are in the process of cleaning up outstanding adjustments (approximately 2,666 for Region B); if providers have questions related to adjustments they should be referred to the Call Center.

CMS conducted an on-site performance evaluation at CGI from June 8-June 10. CMS has also approved the submission of new issues. CGI is preparing “New Issues Packages” for CMS approval some of which are related to SNF, DME and laboratory services.

CGI’s latest accuracy rating completed by the Validation Contractor was 99%.

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**MEDICAID SURS’ AUDITS**

FSSA’s Surveillance and Utilization Review (SUR) Department is getting ready to conduct a new audit. However, details of this audit have not yet been released. Remember that these reviews are not completed by the Medicaid RAC (HMS) therefore, are not considered as Medicaid RAC audits.

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**AUDIT AND APPEALS ISSUES IN MEDICARE**

Audit & Appeal Fairness, Integrity and Reforms in Medicare Act of 2015 (H.R. 2015)

On June 3, the Senate Finance Committee approved by voice vote a bill that will reform the Recovery Auditor review processes, and the appeals process. This bill will help alleviate the backlog of appeals at the Administrative Law Judge (ALJ) level. The AHA and the AMA have issued letters of support for this legislation.

According to the AHA “Fundamental RAC reform is needed to halt the perpetual, wasteful cycle where RACs deny claims for medically necessary services and hospitals must expend significant resources pursuing payments through the appeals system.”

Below are some key items included in the Medicare Audit Improvement Act of 2015

- Elimination of contingency fee program
- Payment reductions if a Recovery Auditor has a high denial overturn rate
- Elimination of the one year filing limit for Part A to B rebilling
- Medical documentation considered for medical necessity reviews for inpatient admission should be limited to the information available to the physician at the time of admission decision in determining whether the inpatient stay was medically necessary

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