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Medicare and Medicaid Recovery Auditor Newsletter

September/October 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.

CMS

CMS has again extended the initial RAC contract period. CMS has sent contract extension agreements to all of the current RACs for services from January 1, 2016 through July 31, 2016. The extension contracts have a few improvements in place that the RACs must agree to in order to continue providing RA reviews. These improvements are as follows:

- The RAC will have 30 days to complete complex reviews and notify providers of their findings.
- The RAC must wait 30 days before sending the claims for adjustment to the MAC in order to allow for a discussion period request.
- The RAC must confirm receipt of a discussion request or other written correspondence within 3 business days with the provider.

The RA contractors in Region A and D have signed their extension contract. CGI has not yet signed the contract extension. If CGI would not sign the extension, CMS may assign RA duties to another contractor.

CMS has announced that the new RAC Scope of Work (SOW) will be released around November 1, 2015. There will be a few program improvements added in the SOW. Some program improvements will be as follows:

- Providers with low denial rates will have lower ADR limits while providers with high denial rates will have higher ADR limits. These low or high denials rates have not been determined.

- ADR requests will be diversified across all claim types for a facility (e.g. inpatient, outpatient based on bill type). This will ensure that a provider with multiple bill types is not disproportionately impacted by RA reviews involving one claim type.
- ADR requests will be based on NPI and not zip code or campus.
- Limits will be applied to new providers incrementally.
- CMS will utilize a satisfaction survey in order for providers to give feedback on the RA's performance.
- The RAC must maintain an accuracy rate of at least 95% as reviewed by the Validation Contractor.
- The RAC must maintain an overturn rate of less than 10% at the first level of appeal.

QIO REVIEW OF SHORT STAYS

Beginning October 1, 2015, the Quality Improvement Organizations (QIOs) assumed responsibility for conducting the probe and educate patient status reviews to determine the appropriateness of Part A payment for short-stay inpatient hospital claims. The QIO's may be using inpatient criteria guidelines for short stays (less than two midnights) in order to determine medical necessity for an inpatient admission.

Beginning January 1, 2016, the QIO will be responsible for all patient status reviews. Those reviews will be conducted in accordance with any policy changes finalized in the Outpatient Prospective Payment System (OPPS) rule and effective for calendar year 2016.

In addition, the look-back period for patient status reviews will be limited to six months from the date of service in cases where the hospital submits the claim within three months of the date of service. This was mandated in order for hospitals to have time to bill an "outpatient only" claim (bill type 121) if the stay was determined as not meeting criteria.

CGI NEWS

CGI has asked the Hospital Associations to remind providers to update their contact information on the Provider Portal. CMS will also be utilizing this contact information in order to send satisfaction surveys.

An ADR round was sent to Indiana providers on September 18th. The next round of Post Pay Therapy ADRs was sent on October 16th.

CGI reports that the average time to complete discussion period reviews is 9.1 days. The resulting statistics for inpatient discussions are as follows:

- 62 were upheld
- 17 were reversed
- 4 were modified

For outpatient discussions:

- 92 were upheld
- 273 were reversed
- 16 were modified.

CGI's last accuracy rate completed by the RAC Validation Contractor (RVC) was 97%.

URGE YOUR REPRESENTATIVE TO SUPPORT RAC PROGRAM REFORM

Representatives Sam Graves (R-MO) and Adam Schiff (D-CA) have introduced the Medicare Audit Improvement Act of 2015 (H.R. 2156), a bill that would make much-needed improvements to the Recovery Audit Contractor (RAC) program. Please see IHA's website at <https://www.ihaconnect.org/news/Pages/Urge-your-representative-to-support-RAC-Program-Reform.aspx> in order to contact your U.S. Representative and urge him or her to co-sponsor the bill. It is critical that we get as many co-sponsors for this bill as possible. If you have questions, contact Brian Tabor, Vice President of Government Relations, at btabor@IHAconnect.org.