

Medicare RAC Audit Consulting Services

Clients of our regional healthcare practice have received tremendous value from our RAC audit consulting services

www.urishpopeck.com



History of the RAC Program

In the Tax Relief and Health Care Act of 2006, Congress required a permanent and national RAC (Recovery Audit Contractor) program to be in place by January 1, 2010.

The goal of the RAC program is to identify improper payments made on claims for healthcare services provided to Medicare beneficiaries. Improper payments may be overpayments or underpayments. Overpayments can occur when health care providers submit claims that do not meet Medicare's coding or medical necessity policies. Underpayments can occur when healthcare providers submit claims for a simple procedure but the medical record reveals that a more complicated procedure was actually performed.

The program became effective in Pennsylvania, West Virginia and Ohio as of August 2009. The start of the RAC program in the tri-state region was preceded by a demonstration program that used RACs to identify Medicare overpayments and underpayments to healthcare providers and suppliers in New York and 5 other states.

Tri-state area healthcare institutions can expect RAC audits to commence mid-year 2010.

The 6-state demonstration program resulted in close to \$1 billion in overpayments being returned to the Medicare Trust Fund, so it is a certainty that our region's institutions have significant exposure involving the return of overpayments, fines and interest.

RACs are paid on a contingency fee basis; therefore, the contractors are highly motivated to uncover discrepancies.

How We Can Assist

Our BDO regional healthcare group consultants have extensive first hand, detailed experience with the New York state program. We can mitigate your exposure two ways, either:

- in advance of the audit; or
- assist after the audit with reducing required payments.

Services may include:

- Identification of risk areas
- Quantification of exposures
- Independent medical record review
- Establishment of internal processes to show "in-control" status, i.e. a compliance program demonstrating active intent
- Conducting RAC training sessions to prepare key personnel for the audits

(Continued on reverse)

Our consultants can formalize the response process flow model, including documenting requested records and related data, and establishing appeals templates. We can establish systems so that once records are requested, they are:

- Captured in electronic form
- Stored and indexed in a central repository
- Logged according to the process flow model
- Monitored to provide detailed tracking of each exception, with daily status updates.

Our executive reporting may include

- Status of open claim
- Prioritization of claims
- Open appeals

Once at the appeal stage, we can participate in the appeals process as in independent third party and assist counsel in preparing the response.

Suggestions for Responding To An Audit

When a RAC contacts you, the following steps are recommended:

- Enforce records completion
- Audit everything the RAC audits
- Appeal every decision the RAC makes, IF it is “appeal-able”
- Be prepared to repay overpayments within 30 days to avoid interest
- Utilize the Medicare Coverage Questionnaire, to identify whether Medicare is secondary Confirm you are up to date with the Local Coverage Determinations (LCDs)
- Provide medical records within 45 days of the RAC request
- Assure you have records of all claims previously audited by any third party
- Change policies and practices to prevent future recurrence of overpayments found
- Proactively disclose known overpayments before the audit

For more information, please contact Tom Current at 888.287.0335 or email tcurrent@urishpopeck.com.