

Part B Insider (Multispecialty) Coding Alert

Appeals: Appealing Pays, New OIG Report Determines

When you know you're right, be sure to file a redetermination.

If you get a denial from your MAC or a request for a refund from a RAC auditor, you might think that appealing is futile. But more than half of the redeterminations that MACs processed from Part B providers last year were actually decided in the practice's favor, making your odds pretty good for a positive outcomes.

Out of 2.1 million redeterminations decided in 2012, 51 percent were either fully or partially favorable to the Part B practices who filed them, according to a recent OIG audit of first-round Medicare appeals for Parts A and B between 2008 and 2012.

Background: Appealing a Medicare claims decision can involve five levels of appeals, as follows:

- Level 1: Redetermination by a MAC
- Level 2: Reconsideration by a Qualified Independent Contractor
- Level 3: Hearing by an administrative law judge in the Office of Medicare Hearings and Appeals
- Level 4: Review by the Medicare Appeals Council within the Departmental Appeals Board
- Level 5: Judicial review in U.S. District Court

The OIG report focuses on the first level of appeals—redetermination. During this stage, you must file your request within 120 days of receiving notice of a claim determination such as the Medicare Remittance Advice. You can also file this if you believe a RAC or other auditor has determined that an overpayment was made to your practice and asks for the money back. Once a MAC receives your redetermination request, it has 60 days to notify you of its decision.

RAC-Related Appeals Shrink

Last year, MACs saw the most Part B redeterminations out of the entire five-year period that the OIG reviewed, growing to 2.1 million in 2012 from 1.6 million in 2008. Although the Part B appeals success rate of 51 percent was impressive, it was down significantly from the 2008 success rate of 65 percent, according to the report, entitled *The First Level of the Medicare Appeals Process, 2008-2012: Volume, Outcomes, And Timeliness*.

In addition, the OIG looked at which appeals were related to RAC decisions. As most readers are aware, recovery audit contractors (RACs) perform postpayment audits and share in the reward if you have to return an overpayment that the RAC found while auditing your practice. Because RACs were new in 2009, it appears they may have made more mistakes at that point. In 2009, a startling 83 percent of Part A RAC-related redeterminations ended up being favorable to the appellant, but that number shrank to 11 percent in 2012.

The bottom line: The takeaway from the OIG's report is that if you believe your practice billed correctly but your claim was unfairly denied or was the subject of a RAC overpayment request, appeal to your MAC with the accompanying documentation to prove your case.

To read the complete OIG report, visit <http://oig.hhs.gov/oei/reports/oei-01-12-00150.pdf>.