

## Part B Insider (Multispecialty) Coding Alert

### Audits: RACs Can't Catch You Off-Guard If You Use These Simple Strategies

#### It's time to improve your billing, documentation.

The RAC program is fully on-board with Medicare and is soon coming to Medicaid--and that means the audit contractors may become a much bigger threat to your reimbursement than they have been under Medicare.

Last year's Patient Protection and Affordable Care Act's requires that RACs audit Medicaid claims just like they do Medicare claims. Because RACs' income is specifically tied to the amount they recover, and is based on a percentage of the overpayments they identify, you can expect they'll be looking through your claims with a fine-toothed comb.

Prepare now: Despite assumptions to the contrary, you can prepare for RACs to examine your claims -- even though you can't go back and make changes. And you have some time. In February, CMS delayed the April 1 deadline for Medicaid RACs. The new start date will be published in a final rule later this year.

Take these steps to manage RAC audits efficiently and avoid surprise expenses.

1. Determine your risk with a self-audit. You can't change the past, but you can begin self auditing claims samples to see where your risk is, says Fran Fowler of Fowler Healthcare Consulting in Atlanta.

Take note: RACs have a three-year look back period, says physical therapy consultant **Rick Gawenda** of Gawenda Seminars and Consulting. So revisit claims from that time period. You might also review your Medicare RAC's website to see the patterns of improper payments they've uncovered, Gawenda suggests.

You can find the status of your state's Medicaid RAC program at [www.cms.gov/medicaidracs/home.aspx](http://www.cms.gov/medicaidracs/home.aspx), last updated Aug. 9.

2. Gear up your staff for extra work. Expect to set aside time to deal with RAC audits on a daily basis. "The amount of requests and activity that these auditors require is quite onerous, so you really need to have dedicated staff to oversee the process," says **Richard Gundling**, VP of the Healthcare Financial Management Association. Daily activities may include anything from addressing RAC notifications to reviewing their decisions to appealing, if necessary.

3. Review your reimbursement criteria. Experts stress that many providers aren't completely clear on how to properly document and bill for their services. Make sure you're not one of these providers. And even if your claims are squeaky clean, continuing education will not only bulletproof your claims going forward, but also help you choose wisely whether to appeal a RAC decision.

4. Start planning for appeals. Realize that appeals could be well worth your while -- but that you could also "spend virtually another half-million appealing and still not have any of the overpayments overturned," Fowler says. So decide a cutoff point of dollars in overpayments where it would be in your best interest to appeal.

If and when you find yourself fighting for deserved reimbursement, remember to reference the rules from the time period of the claims in question. "Some RACs have mistakenly applied current payment rules to old claims," Fowler warns.