

Part B Insider (Multispecialty) Coding Alert

Check These 3 RAC FAQs

Although CMS's Recovery Audit Contractor (RAC) program has been around for several years already, chances are high that you still have questions about how it works. We've culled the most commonly-asked RAC questions and provided CMS's expert answers to them below.

1. No one audited my records, but the RAC still asked me to pay back an alleged overpayment. How is that possible?

Answer: Even though a human didn't audit your records, the RAC may have still performed an audit. "RACs may use automated review (where NO medical record is involved in the review) ONLY in situations where there is certainty that the claim contains an overpayment," CMS says in an FAQ on its website. In these cases, the overpayment request must be based on an LCD that specifies that these services will always be considered an overpayment and occur when no timely response is received in response to a medical record request letter.

For example: If you perform acupuncture for a Part B patient and your MAC erroneously pays you for it, then you receive an overpayment letter and don't respond to that, the RAC could perform an automated review where it demands that you repay the money. Because acupuncture is never covered, chances are that the RAC may not need a human to review the records to decide whether or not to collect the money back from you.

2. Can we report our self-audit findings to a RAC?

If you perform a self-audit that identifies improper payments and you want to pay the money back to Medicare, you should contact your MAC directly, not the RAC. There are two different outcomes to this situation, depending on which type of self-audit you performed, CMS says on its website:

"There are two types of self audits. One is commonly called a voluntary refund and is claim based. If the required claim information is included along with the amount of the improper payment, the claim will be adjusted by the claim processing contractor. The RAC will be aware of the adjustment, but the refund does not preclude future review."

"The second type of self audit may involve the use of extrapolation. If extrapolation is used the claim processing contractor will review the case file to determine if it is acceptable. The claim processing contractor will accept or deny the extrapolation for the issue identified by the provider. If the claim processing contractor accepts the extrapolation, those claims in the universe will be excluded from RAC review."

Therefore, voluntary refunds could still subject you to RAC reviews, whereas extrapolated claims are typically excluded from RAC reviews.

3. If the RAC already reviewed a particular set of my claims, can they come back and review the same batch again?

The answer depends on what the RAC specifically reviewed the first time. "The RAC can review a claim either through automated or complex review more than once," CMS says on its website. "The exact claim line cannot be reviewed more than once but the RAC may review different claim lines in separate reviews."

Therefore, even if the RAC audited page one of your claim already, it can come back and look at page two of the same claim another time.

