

Part B Insider (Multispecialty) Coding Alert

RAC AUDITS: Take These 6 Steps to Prepare for the RAC Audit Onslaught

Hint: Take requests for your records seriously and ensure that your documentation is thorough at all times.

RAC medical review bounty hunters are rolling out in 24 states now and will start activities in the remaining states in August. In their three-year pilot, RACs racked up a whopping \$1 billion in corrected overpayments.

If your organization shows up on a RAC hit list, you can expect a big claims review hassle. RACs work on a contingency fee basis, meaning they receive a portion of the amount -- from 9 to 12.5 percent depending on the contractor -- that they deny or downcode.

Our results demonstrate that 10 percent to 15 percent of the providers represent 80 percent to 90 percent of the overpayments, says Region D RAC Health Data-Insights on its Web site.

Safeguards: But unlike in the RAC pilot, CMS is limiting how many records the RACs can review. Audits are limited to 10 percent of a providers claims and the lookback period was shortened from four years in the pilot to three years, a CMS staffer told the National Association for Home Care & Hospices March on Washington conference last month.

CMS also will require RACs to forfeit any contingency fee for a claim that a provider successfully appeals at any level, the CMS official said.

You can prepare for RAC audits with these six steps recommended by experts:

1. Beef up documentation. The old adage if it wasnt documented, it wasnt done has never been more true. Its a matter of getting the cross-section of human beings that document care in charts to do so with inhuman accuracy, precision, and completeness, laments **Bob Wardwell** with the Visiting Nurse Associations of America.

Every claim you file should be supported by compliant documentation, counsels **M. Aaron Little** with BKD in Springfield, Mo.

2. Respond to record requests. The top reason providers flunk medical review is failure to respond to the request for records at all, notes Wardwell, a former top CMS official. Id sure want to make sure my process for identifying medical records requests, submitting them promptly and completely, and with a means to track their receipt [is] number one.

This task might become even harder when your staff are faced with requests from unfamiliar contractors in unfamiliar formats.

3. Bill properly. Shore up all processes leading up to the point of billing & as well as technical billing practices and controls, Little advises. Dont bill for services for which you dont have documentation.

4. Use benchmarks. RACs are likely to target outliers for review, so youll want to know if youre on that list, suggests **Tom Boyd** with Rohnert Park, Calif.-based Boyd & Nicholas. Know your peers state and national benchmarks as compared to your own.

5. Consider electronic records. Ive believed for a long time that electronic medical records systems & make it harder to make human errors in documentation and easy to submit medical records, Wardwell notes. Implementing such records is the wave of the future.

RACs will raise the awareness of those advantages, he adds.



6. Get outside help. If you are hit with RAC review and decide to appeal the contractors denials or downcodes, you may not want to go it alone.

Hire a lawyer or nursing consultant to follow the extensive and very detailed appeal process, Boyd suggests. Do not lose out because of a misstep.

More information about RACs is at www.cms.hhs.gov/RAC. The outreach schedule is at www.cms.hhs.gov/RAC/03_RecentUpdates.asp --scroll down to the Downloads section.