

Part B Insider (Multispecialty) Coding Alert

Recovery Audit Contractorst: RACs Can No Longer Keep Fees After Losing Appeals, CMS Says

Plus: You'll soon be able to review the most common errors that the RACs find.

CMS is attempting to limit the amount of bounty that the so-called RAC "bounty hunters" are able to collect, to the delight of many providers.

During the RACs' original demonstration period, if the RAC lost an appeal at the initial level, it had to return its contingency fee, but if the RAC lost at a later level, it got to keep the fee. Now, however, "if the RAC loses at any level of appeal, the RAC must return the contingency fee," said CMS's **Amy Reese**, project officer for Region C RAC (Connolly Healthcare), during a May 12 RAC open door forum. "We feel that this is a much better way to incentivize the RACs to stick to clear-cut, black and white issues that are able to hold up over the appeal process."

Staffing: RACs must use certified coders for all coding determinations, and are required to use registered nurses or therapists "for other types of reviews, and they're also required to have a physician medical director on staff to oversee the review process," Reese indicated.

RACs also must hire RAC Validation Contractors to perform accuracy reviews. "What they're doing is taking a sample of each RAC's claims and making a decision as to whether they agree with the RAC's improper payment determination on the claim, and from there they'll determine an accuracy score, and those scores will actually be compiled annually to be released to the public on our yearly report," Reese said on the call.

In the future, the RACs will post their major findings to the Web for everyone to review. "We don't have any yet, because the RACs have only been reviewing for a short amount of time, but after there's a little bit more data for us to analyze, we're going to check and see what codes and what services seem to have resulted in the greatest amount of improper payments and have shown themselves to be vulnerabilities to the Medicare Trust Fund."

Currently, you can check areas where previous improper payments were found during the RAC's initial demonstration periods at www.cms.gov/rac.

Waiting for Recoupment Can Cost You

One caller noted that when her practice receives a notice of takeback, it chooses to allow the carrier to automatically recoup the payment at day 45. However, her MAC has been charging her interest after 30 days. She asked whether there was any way to avoid the interest charge that kicks in on day 30, since she is simply allowing the MAC to recoup their money 15 days later.

Reese noted that although interest charges are a local carrier issue and not specifically a RAC issue, in some cases there is no way to avoid the interest payment if the practice is allowing the recoupment to take place. "You can pay upfront when that happens if you want to avoid that, and I believe some claims processing contractors allow an immediate offset option, but you'd have to do that through them, and requirements are different depending on your contractor," she said.

Another caller noted that she recently received questions from her RAC regarding a particular issue, but visited her RAC's Web site and discovered that those issues were not listed on the "open issues" page of her RAC's Web site. In these situations, you should contact your RAC and ask them for further information, noted **Patricia Rosinski, RN**, a RAC project officer with CMS, during the call.

