

Eli's Rehab Report

Inpatient Insights: Keep Your RAC Savvy From Falling Through the Cracks

Tip: Include acute care stay info in your documentation.

If recovery audit contractors aren't on your radar, they should be. RACs recovered a whopping \$1 billion in corrected overpayments in the pilot program of a demonstration project in California, Florida, and New York that nearly took out the inpatient rehab facilities in these states.

RACs have been live in all states and free to audit all settings since 2010, thanks to mandates in the Tax Relief and Health Care Act of 2006.

The good news: IRFs aren't a major focus area for RACs right now, reports **Tim Johnson**, executive director for Jackson Davis HealthCare, a firm that specializes in RAC audit defense.

But don't get too relaxed. "RACs are going to create a real challenge for the rehab industry as they kick in," predicts **Angie Phillips, PT**, president & CEO of Images & Associates in Irving, TX. "I think there's a false sense of security out there, as there hasn't been a lot of activity to date, but our segment of the industry will likely see increasing scrutiny soon."

Stay One Step Ahead

CMS releases a quarterly update reporting each RAC's collected amounts, along with the top issue for each of the four RAC jurisdictions. "Therapy directors and owners should go to the website for their RAC contractor and find the issues related to rehab," Phillips urges.

Heads up: For IRFs, contractors have typically mentioned the Medicare Benefit Policy Manual changes that hit January 2010 and the Program For Evaluating Payment Patterns Electronic Report (PEPPER) report, Phillips notes. "For this reason, we believe that initial reviews will look at medical necessity but will likely focus on the PEPPER target areas for IRFs."

According to Phillips, these target areas include:

- Miscellaneous CMGs: CMG 2001, 2002, 2003, and 2004;
- At Risk for Unnecessary Admission CMGs: Diagnoses with NO Tier Group Assignment for CMG's 0101 (Stroke), 0501 (Non-Traumatic Spinal Cord Injury), 0801 and 0802 (Replacement of Lower Extremity Joint), 0901 (Other Orthopedic), 1401 (Cardiac) and 1501 (Pulmonary);
- Cases with outlier payments; and
- Cases readmitted to short term acute care hospitals.

Key: Start excellent documentation practices now -- it's too late once you're audited. "Provide the RAC with full and complete continuum of care documentation, including acute care stay documentation," Johnson says. In addition, IRFs should "proactively audit every case using current Medicare coverage criteria for inpatient rehab," he adds.