

Eli's Rehab Report

Practice Pointers: 4 Things Every Rehab Manager Can Do to Prepare for RACs

It's never too late to improve your billing and documentation practices.

Providers who think there's nothing they can do to prepare for CMS' recovery audit contractors (RACs) -- since one can't go back and change claims -- are mistaken. Take these steps to manage RAC audits efficiently so that if you do owe big bucks to Medicare, you're not also stuck with other 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, FAAHC**, president and CEO of Fowler Healthcare, an Atlanta-based partner of Health Dimensions Group. "You have to figure out where the money is going to come from to pay back the Medicare program."

Take note: RACs have a three-year look back period beginning with Oct. 1, 2007, says **Rick Gawenda, PT**, director of PM&R for Detroit Receiving Hospital and owner of Gawenda Seminars and Consulting. So revisit claims from that time period. You might also review your particular RAC's Web site to see the patterns of improper payments they've uncovered, CMS advised providers.

2. Gear up your staff for extra work: Begin setting 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, FHFMA, CMA**, VP of thought leadership for 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 so many rehab providers still don't know 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.

Important: File an appeal before the 120-day deadline if you're unhappy with an RAC determination, CMS reminded providers.

And 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 of the RACs in California were applying current payment rules to old claims," Fowler warns. Don't let that be the case for you.