

Eli's Rehab Report

Regulations: 4 Strategies To Stop RACs From Catching You By Surprise

Now's the time to improve your billing and documentation.

If recovery audit contractor (RAC) audits don't stay on your radar, you'll likely soon be nursing some pretty hefty overpayments stemming from your Medicaid billing.

That's thanks to last year's Patient Protection and Affordable Care Act's requirement that RACs audit Medicaid claims just like they do Medicare claims. Because RACs' income is specifically tied to the amount they recover, and is based on a percentage of the overpayments they identify, you can expect they'll be looking through your claims with a fine-toothed comb.

Prepare now: Despite assumptions to the contrary, you can prepare for RACs to examine your claims -- even though you can't go back and make changes. And you have some time. CMS delayed the April 1 deadline for Medicaid RACs, notes attorney **Mark W. Bina** with **Krieg DeVault** in Chicago. The new start date will be published in a final rule later this year.

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 Consulting** in Atlanta. "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, says **Rick Gawenda, PT**, 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, Gawenda suggests.

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**, VP of 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 many rehab providers aren't completely clear on 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 a RAC determination, CMS says. 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 RACs have mistakenly applied current payment rules to old claims," Fowler warns.



Don't let that be the case for you.