

Outpatient Facility Coding Alert

Audits: RACs Flag Shoulder Debridement, Complex Cataract Procedures

Is a Recovery Audit Contractor data-mining your claims? Here's how to tell.

We hear about Recovery Audit Contractors (RACs) all the time, but their origin, purpose, and implications for your coding and billing can be confusing. Here's what you need to know about RACs so that you can defend your ambulatory surgery center or hospital outpatient department from a potential audit.

RACs are independent contractors that data-mine Medicare claims, review them for errors, and collect contingency fees based on the amounts they recover. Because of how they are paid, RACs are incentivized to go after coding and billing errors that are so common and widespread that they will be paid handsomely for discovering (and recovering) overpayments.

Currently, there are four RAC regions of the United States. Generally, Performant Recovery, Inc. reviews providers in the northeastern US, HMS Federal Solutions handles the west, and Cotiviti covers much of the midwestern and southeastern parts of the country.

Resource: Go to this CMS map to find your RAC region and the RAC assigned to your region:

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Recovery-Audit-Program/Downloads/Medicare-FFS-RAC-map-November-2016-clean.pdf>.

On their web sites, the RACs disclose issues that CMS has approved them to audit. Here are the links to each RAC's "audit issues" pages, which contain details about what the RAC is currently examining.

Performant: <https://performantrac.com/audit-regions/region-1/>

HMS: <https://racinfo.hms.com/Public1/NewIssues.aspx>

Cotiviti: <http://www.cotiviti.com/healthcare/who-we-serve/cms-approved-issues>

Here are two ASC and HOPD audit hot spots that auditors are looking at now, according to the audit issue pages from the three RACs.

Billing limited debridement as separately payable from shoulder arthroscopy procedures. CPT® code 29822 (Arthroscopy, shoulder, surgical; debridement, limited) is not separately payable when billed along with a shoulder arthroscopy procedure performed on the same shoulder on the same day. All three RACs are auditing claims for this problem.

Complex cataract surgeries: All three RACs are looking at cataract procedures coded as "complex," which require documentation that the cataract procedure wasn't routine. **Tip:** Look at the Local Coverage Determinations (LCDs) to find ICD-10 codes that support CPT® codes such as 66982.