

Eli's Hospice Insider

Audits: RAC s Can No Longer Keep Fees After Losing Appeals

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

As the potential for hospice RAC audits loom, some good news trickles in. The feds are attempting to limit the amount of bounty that the so-called RAC "bounty hunters" are able to collect.

Then: During the Recovery Audit Contractors' 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: "If the RAC loses at any level of appeal, the RAC must return the contingency fee," said the Centers for Medicare & Medicaid Services' **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 clearcut, black and white issues that are able to hold up over the appeal process."

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

Reminder: The four national RACs currently have dozens of durable medical equipment topics approved by CMS, including some that relate to hospice and home health agency items. Home care, particularly hospice, may be next on RACs' direct hit list.

Reviews for the Reviewers

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," Reese said on the call. "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."

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," Reese said. "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," she added. Currently, you can check areas where previous improper payments were found during the RAC's initial demo periods at www.cms.gov/rac.

Waiting for Recoupment Can Cost You

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

For more on RAC audits, see Eli's Home Care Week at www.elihealthcare.com/spec_home_care.htm.