

Eli's Hospice Insider

Hospice News: Revamped RAC Program Shows Improvement, CMS Claims

Recovery Audit Contractors have hounded some providers to the point of closure, but Medicare now has lightened providers' RAC load, Administrator **Seema Verma** claims.

How? After hearing a litany of complaints about RACs, the **Centers for Medicare & Medicaid Services** has made a number of "meaningful changes," Verma says in a CMS blog post. Chief among those are holding RACs accountable for the validity of their denials, and targeting RAC audits.

RACs that fail to maintain a "95 percent accuracy score" or that have more than 10 percent of denials overturned on appeal "will receive a progressive reduction in the number of claims they are allowed to review," Verma says.

And RACs won't receive their contingency fee until after the second round of appeals is exhausted, Verma adds. "Previously, RACs were paid immediately upon denial and recoupment of the claim. This delay in payment helps assure providers that the RAC's decision was correct before they are paid," the blog says.

CMS also changed how it identifies audit targets. "Instead of treating all providers the same, we conduct fewer audits for providers with low claims denial rates," Verma explains.

The result: There's been a "significant decrease in the number of RAC-reviewed claim determinations that are appealed and [a] corresponding reduction in the appeals backlog," Verma cheers.

Details on more RAC changes are in the blog post at www.cms.gov/blog/recovery-audits-improvements-protect-taxpayer-dollars-and-put-patients-over-paperwork.