

Eli's Hospice Insider

Hospice News: Wait For This MAC Letter Before Appealing RAC Denial

Hospices are waiting to see what topics get approved for audit from the new home health- and hospice-specific Recovery Audit Contractor. But when those denials do start rolling in, they'll have to wait a bit before fighting the RAC decision.

RAC's turn: When a Supplemental Medical Review Contractor or Recovery Audit Contractor identifies improper payments, "they notify the provider via a determination letter (also referred to as a review results letter)," HHH Medicare Review Contractor **CGS** explains in a post on its website. "They also notify CGS to initiate the overpayment process."

MAC's turn: "Once CGS is notified, the claim is adjusted and a remittance advice and overpayment demand letter is generated," the MAC continues.

Your turn: "At that time, if you disagree with the SMRC or RA decision, you may request a redetermination (first level of appeal) within 120 days from the date of the CGS demand letter or remittance advice."

But some providers have been jumping the gun. "It has come to our attention that some providers are requesting an appeal upon receipt of the SMRC and RA determination letter and prior to the claim adjustment," CGS says.

"If a provider decides to appeal the denial decision, they must wait until the CGS demand letter or remittance advice is received," the MAC instructs. "If an appeal request is submitted prior to the CGS demand letter being issued, it cannot be processed as an appeal since the overpayment does not yet exist."