

MDS Alert

Billing & Compliance News to Use

CMS is attempting to pull the reins in on how much bounty the RACs can keep. During the RACs' 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, however, "if the RAC loses at any level of appeal, the RAC must return the contingency fee," said CMS' **Amy Reese**, project officer for Region C RAC (Connolly Healthcare), during a recent RAC open door forum. "We feel that this is a much better way to incentivize the RACs to stick to clear-cut, black and white issues that are able to hold up over the appeal process."

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

RAC preparedness tip: If you want to get a jump on the RACs, you should assemble a RAC response team, recommends CMS in a new MLN Matters article about the Medicare bounty hunters. Insufficient or total lack of response to RAC additional development requests (ADRs) is a top reason for claims denials, CMS says. The agency recommends that providers assemble "a RAC team to coordinate all RAC activities that may include tracking audit and appeal findings, identifying patterns of error, implementing corrective actions, etc.," the article says. "Providers should consider assigning a point of contact and, if necessary, an alternate, who will be responsible for tracking and responding to RAC ADR letters."

Tip: "Providers should tell the RAC the precise address and contact person to use when sending ADR letters," CMS advises. More advice on interacting with RACs and information about the contractors is in the article at www.cms.gov/MLNMattersArticles/downloads/SE1024.pdf.