

MDS Alert

COMPLIANCE: RAC-Proof Your Claims Without Reinventing the Wheel or Breaking the Bank

Having these 2 departments act in tandem provides a tough first-line defense.

With RACs ramping up their audit efforts this year, your SNF has a lot riding on its system for preventing payment recoupments.

The positive news: You can keep the cash flowing and compliance woes at bay by implementing a couple of key strategies that build on your existing resources.

First step: Get clinical and billing staff on the same page like never before in making sure your claims will sail with the MAC or RAC. As a case in point, Covenant Retirement Communities about two years ago partnered clinical and billing, reported **Terri Cunliffe**, senior VP of health and wellness at Covenant (Skokie, Ill.) in a presentation at the November 2009 American Association of Homes & Services for the Aging meeting. One benefit to using the clinical and billing partnership is that "if our clinical side isn't doing the right documentation or there's a problem ... then we are able to fix the clinical side much more quickly," Cunliffe reported. After all, "billing comes out of clinical"

Next step: Once you have a truly effective prospective review system in place, roll your RAC audits into what you're doing without adding more layers to your process, if possible.

Remember: "RAC audits are just another post-payment review," says **Victor Kintz, MBA, CHC, LNHA, RAC-CT, CCA**, managing director of operations for the Polaris Group based in Tampa, Fla. "And the RACreview is really no different than a MAC/FI post payment review," he tells Eli.

Avoid duplication: In incorporating RAC readiness in its processes, Covenant "circled back" to review not only the Medicare documentation and other audits it had in place but what meetings, Cunliffe noted. The organization didn't want to add meetings, she emphasized, noting that "we [are] 'meeting' ourselves to death." Thus, "we try to incorporate as much as we can into our standard weekly meetings or daily meetings so we aren't adding meetings just to address additional requirements for RAC audits," Cunliffe said.

Do an Interdisciplinary Audit

Covenant uses an interdisciplinary audit process to review documentation and claims before billing at month's end. Everyone on the interdisciplinary team completes a section of the audit checklist, and has a timeline for completing and submitting it, said Cunliffe. (For tips on performing a Part A pre-billing review and an audit checklist, see pages 17 and 18.)

Tip: To help ensure continuity in the audit process, Covenant asks contract rehab therapy companies providing services to its residents to use Covenant's documentation and audit tools. Instead of integrating their system in our world, "we say this is our system and ... our expectation," Cunliffe reported.

You have to make sure to look at the quality of the therapy and clinical staff documentation, however, she added. And you have to designate who's going to have "the hammer" to ensure everyone gets their audits completed and submitted on time, Cunliffe emphasized.

Tip: Identify which person may be the "best hammer," added **Elizabeth Malzahn**, health and wellness financial manager at Covenant, in the AAHSA presentation. "It may not be the billing office."

Track What RACs Are Targeting

Even though you use the same prepay audit process to knock out MAC and RAC denials, focus closely on your facility's particular RAC-related vulnerabilities. And make sure the audit process focuses on verification of the qualifying three-day inpatient hospitalization and consolidated billing compliance, advised Malzahn. Consolidated billing will be "huge," Malzahn predicted, noting that RACs have access to a database that includes anything that's been billed outside of consolidated billing that shouldn't have been.

Also shore up your compliance in submitting no-pay and benefits exhaust claims, Malzahn urged.

Smart surveillance move: Monitor the different RAC Web sites to identify what they are finding, Malzahn suggested. "Usually it isn't an isolated incident," and may represent a widespread problem across the industry.

Compliance saver: Don't overlook Part B in your prospective audit process. For details, see the next MDS Alert.