

OASIS Alert

Audits: PROTECT YOUR REIMBURSEMENT IN THE FACE OF RACs

CMS says medical review - providers say bounty hunting.

Starting this month, new Recovery Audit Contractors give the feds yet another chance to decide they paid you too much - and OASIS problem areas of SCICs, LUPAs and high therapy thresholds make tempting targets.

The **Centers for Medicare & Medicaid Services** has named the companies that, for the next three years, will "identify and collect Medicare claims overpayments that were not previously identified" by intermediaries in the pilot states of California, Florida and New York. These new RACs are **Diversified Collection Services, Public Consulting Group, HealthData Insights, Connolly Consulting** and **PRG-Shultz International**.

The Medicare Modernization Act of 2003 mandated the RACs. These contractors will check claims that are at least a year old. Some will examine only Medicare Secondary Payer claims.

Warning: RACs will be paid a percentage of the money they recoup from providers. This seems like a conflict of interest, because it gives the reviewer an incentive to find something wrong with the claim, says **Patrick Conole** with the **Home Care Association of New York State**.

Helpful: RAC reviews are targeted, and random review is actually prohibited for these contractors, notes consultant **M. Aaron Little** with **BKD** in Springfield, MO. Also, RACs will use a mixture of automated review conducted by machines and complex review conducted by human reviewers, Little tells **Eli**.

Little expects billing scenarios likely to trigger RAC review will be episodes that:

1. exceed the high therapy threshold by only one or two visits;
2. have significant changes in condition (SCICs) resulting in higher payment;
3. have one to two visits more than the low utilization payment adjustment (LUPA) five-visit threshold;
4. have high home health resource groups (HHRGs) with a low number of visits but that lasted a full 60 days;
5. have high HHRG scores in the clinical domain billed with diagnoses that carry insignificant or no case-mix weight; and
6. have high therapy HHRG scores and high number of therapy visits but no diagnoses codes that visibly support therapy need.

Caution: If the RACs pick up on high error rates in any of these areas, HHAs can expect their own intermediaries to put them under the microscope as well, observers predict.

Bottom line: Expect to spend more money responding to medical review requests, answering questions and appealing denials, if you are in one of the pilot states.

Protect yourself: Be sure your staff expect requests for medical records from these new contractors. Otherwise they may discard the letters or not respond to them in the allotted time, resulting in denials, suggests **Joan Cross** with **C&C Homecare** in Bradenton, FL.

Editor's Note: The RAC Medlearn Matters article is at www.cms.hhs.gov/medlearn/matters/mmarticles/2005/SE0469.pdf.
For the latest information on RACs, order Eli's Home Care Week at www.elihealthcare.com or by calling 1-800-874-9180.