

Be Aware of a new type of Medicare Audit – RACs

Excerpted by Sheila Rege, MD from “Community Oncology”

February 2010 article by Patrick Young.

May 2010



BENTON FRANKLIN COUNTY MEDICAL SOCIETY

The Society Pages

The Centers for Medicare and Medicaid Services' Recovery Audit Contractors (CMS RACs) are checking medical records for over and underpayments. The demonstration project (test project) found \$1.03 billion in improper payments; and 96.4% were overpayments. These RAC auditors are generally certified coders; and can review records 3 years back but not before Oct. 1, 2007. About 85% of the test project concentrated on hospitals. However, there is no guarantee that RAC auditors will continue to focus on hospitals.

There are two types of review. One is an automated review where reimbursement filings are examined by codes provided. This does not require submission of medical records. Providers are not notified in advance, but if an overpayment is found, then providers receive a letter demanding payment. See below for what to do once this occurs.

The second type of review is a complex review. This is where providers are asked for medical records. They then receive a review-results letter with a demand for payment. RACS may seek records no sooner than 45 days apart, and the number is limited by provider type as below: (a) solo practitioners 10 records per NPI; (b) physician groups 0-5 20 records per NPI (c) 6-15 practitioners, 30 medical records per NPI.

A provider has 45 days, plus 10 more days for mail transit, to supply the requested records. RACs will reimburse \$12 per page plus mailing costs. Make sure you “date stamp” the date your office receives this letter.

When a RAC perceives an overpayment, it will send a demand letter. Until the issue is resolved or recoupment occurs, providers may discuss the issue with the RAC prior to an appeal. If a provider agrees that overpayment occurred, the options are to pay back the amount right away or seek an extended payment plan. The alternative is to appeal the RAC's determination, using the same process as the one used for Medicare Administrative Contractor denials.

If a RAC loses an appeal, it must return its fee to CMS. If a provider is owed money, the RAC will notify the provider's carrier or intermediary of the amount to be paid.

To reduce the risk for RAC audits, be sure to do the following:

- Know what the RAC demonstration project identified as improper payments (www.cms.hss.gov/rac)
- Examine the improper payments reports of the Health and Human Services Inspector General or the Comprehensive Error Rate Testing program (www.oig.hhs.gov/reports.html; www.cms.hss.gov/cert)
- Do an internal “audit” to determine compliance with Medicare rules. One option is to have another physician office billing specialist (same specialty) check some of your charts to ensure they would have coded the same way. In return, your billing specialist can check their charts.
- Look for patterns in denied claims
- Devise and implement a plan to avoid improper claims.

If you are a WSMA member, you may also access the webinar mentioned below for more information-

Medicare Recovery Audit Contractors (RACs) – Understanding and Defending Against Audits - This new webinar prepares you for the increasingly important role of the RACs, focusing on physicians, hospitals and other entities that submit claims for Medicare covered services. Practices need to be prepared to comply with RAC audits within the established timeframes and to defend against allegations of improper billing. This webinar is available as an On Demand Webinar on the WSMA Website at <http://www.wsma.org/cart/onDemand.cfm> .

UPCOMING EVENTS

GENERAL MEMBERSHIP MEETINGS

6:30-7:00 pm, Social Hour

7:00-8:30 Membership Business and
Presentation

All Meetings are at Meadow Springs
Country Club

May 18, 2010

Leslie M. Burger, MD, FACP

Chair, WA St. Medical Quality Assurance Commission

Major General, US Army (Ret)

And

Maryella Jansen

Executive Director

Medical Quality Assurance Commission

will be joining us to discuss the role of the commission and seek feedback on how they can accomplish their mission better.

AMA Update Regarding Medicare Payments

On April 15, 2010, President Obama signed into law the "Continuing Extension Act of 2010." This law extends through May 31, 2010, the zero percent update to the MPFS that was in effect for claims with dates of service January 1, 2010 through March 31, 2010. The law is retroactive to April 1, 2010. Consequently, effective immediately, claims with dates of service April 1 and later, which were being held by Medicare contractors, are being released for processing and payment. Please keep in mind that the statutory payment floors still apply and, therefore, clean electronic claims cannot be paid before 14 calendar days after the date they are received by Medicare contractors (29 calendar days for clean paper claims).

Given the uncertainty regarding MPFS claims with dates of service June 1, 2010, and later, please watch your listservs and your contractor's website for more information.

Attention Office Managers-

We are interested in providing practice management offerings this summer and need your help.

If you have particular subjects that you would be interested in (coding, billing, etc.) please email the office at

bfmedsoc@charterinternet.com or call

582-2866 and talk to Nicole.

Thank you for your help!

The Medical Society office will be closed from May 4- May 11. Voice mail and email will be checked periodically during that time. Urgent matters should be directed to a board member during this time.

Applications for Membership

First Notice:

Marianne Freedman MD

Board Certified Pediatrics

Medical School: University of Texas at Houston (1986)

Internship: University of New Mexico

Residency: University of New Mexico

Practice: 7211 Deschutes Ave., Suite G, Kennewick Phone: 737-1860, Fax: 737-1862

Michael Freedman MD

Board Certified Neurology

Medical School: Baylor (1981)

Internship: Baylor Affiliated

Residency: Baylor Affiliated

Practice: 320 W. 10th Ave., Ste. 100, Kennewick Phone: 585-5301, Fax: 585-5302

Welcome New Members!

Cheta Nand MD

Board Certified Psychiatry and Sleep Medicine

Medical School: Fiji School of Medicine (1987)

Internship: Lautoka Fiji

Residency: Albany Medical Hospital, Albany NY

Practice: 8412 W. Gage Blvd., Suite B, Richland Phone: 554-9801

Michael Turner MD

Physical Medicine and Rehabilitation (Board Certification Pending)

Medical School: Harvard (2005)

Internship: Mayo Clinic

Residency: Mayo Clinic

Practice: 800 Swift Blvd. Richland Phone: 942-3080

Directory Updates:

Naeem Chavla MD (Urology) has a new office location: 948 Stevens Dr., Ste. C, Richland Ph: 946-8000, Fx: 946-8002

John Intravartolo MD (IM) is now practicing at 4403 W. Court, Pasco Ph: 545-6220 Fx: 545-6842

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The objectives of the Benton Franklin County Medical Society are to promote the art, science and practice of medicine and the practitioners who pursue these goals; to promote the care and well being of the patients of Benton and Franklin Counties; to protect and improve the health of the public; to provide medical education and to provide leadership for the members of the Society.

Please contact Nicole Austin with any questions, comments or information you would like added to the Newsletter.