

OHIO on the "RAC"

What Physician Practices Need to Know

WHAT IS RAC?

Recovery Audit Contractors, or RACs, are independent companies retained by CMS (Centers for Medicare & Medicaid Services). They datamine and trend Medicare fee for service physician claims for coding and billing practices resulting in inappropriate payments from the Medicare trust fund. RACs are paid on commission—a percent of overpayments or underpayments identified (yes, underpayments too; but that's not what Congress is counting on).

WHAT ARE THEY LOOKING FOR?

RAC auditors are working on different issues, depending upon the region in which they are operating. While some issues are common to all four regions of the U.S., they're not presently coordinated. CMS mandated that the list of issues RACs are working on be published, however, the datamining techniques are not public domain.

Following is the list of published issues for Ohio Physicians (Region B) as of March 26, 2010.

Blood Transfusions

- Should be billed with a maximum of (1) unit per patient per date of service

Bronchoscopy Services

- Should be billed with a maximum of (1) unit per patient per date of service

Intravenous Infusion Chemotherapy and Non-chemotherapy

- Only one "initial" service code should be reported unless protocol requires that two separate IV sites must be used

IV-Hydration

- Should be billed with a maximum of (1) unit per patient per date of service

Neulasta

- Claims for Neulasta (HCPCS code J2505) should be submitted so that the units billed represent the number of multiples of 6mg administered, not the total number of milligrams

Once in a Lifetime Procedures

- Specified procedures that can only be performed once in a lifetime per beneficiary

Oxaliplatin

- Claims for Oxaliplatin (HCPCS code J9263) should be submitted so that the units billed represent the number of multiples of 0.5 mg, not the total number of milligrams

Untimed Codes

- CPT codes (excluding modifiers KX, and 59) where the procedure is not defined by a specific timeframe (untimed codes), the provider should enter a one (1) in the units billed column per date of service.

E&M coding distributions are NOT on the list at this time.



Automated reviews will result in refund requests or takebacks and do NOT require special notice or correspondence to the practice.

There are other RAC regional physician issues, which will likely be implemented by the Ohio region as well:

- Barium swallow studies units billed
- Pediatric codes exceeding age parameters
- Global vs TC/PC
- Facility vs. non-facility reimbursement (place of service)
- SNF consolidated billing (billing medicare for technical component when they're admitted to a skilled nursing facility)
- Anesthesia care package E&M services
- NCCI edits (bundled procedures)
- Hospice related services
- TC of radiology
- Not a new patient
- Medically unlikely edits

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WHAT ARE SOME OF THE EXPOSURE ISSUES?

Issue	Exposure Likely	Exposure Not Likely
Do you provide services identified on the Region B (Ohio) or other RAC auditors' list?	Yes	No
Do you have an ancillary testing center with standing protocols?	Yes	No
How do you identify a New Patient?	New provider joins practice and patients follow or referred by provider A to provider B in the practice	Never seen in the practice by any provider or not seen in the practice for three years
What is your process for identifying patients in a global period of a procedure?	Global periods for procedures are not routinely checked or global modifiers are used to bill all E&Ms	Every procedure is checked against the global surgery period and only non-related E&Ms are billed
Have you ever been involved in a Medicare Carrier or CERT (comprehensive error rate testing) audit?	No	Yes
Have you compared your coding distribution to others' in your same specialty, such as MEDPAR, CERT, MGMA, or State/Specialty Academy?	Never been compared or comparison results indicate codes are dissimilar	Yes and the practice codes are similar
Do you perform periodic coding and billing audits internally or via an outside vendor?	No	Yes
Are your paper medical records legible, complete, dated and signed?	No	Yes
Are your electronic records free of conflicts and cloning?	No	Yes
If you admit to a facility (hospital, ASC, nursing home) for your services, do you check the patient status (outpatient, observation or inpatient) with the final hospital status to verify the appropriate place of service for your claim?	No or use hospital chart's datasheet	Yes

WHAT HAPPENS IN AN AUDIT?

There are two types of RAC audits. An Automated Review is a review of claim data, such as codes, units, and place of service, which looks for medically unbelievable information or mismatched place of service when compared with facility claims. A Complex Review is a review of the medical record looking for medical necessity and correct coding.

Automated reviews will result in refund requests or takebacks and do NOT require special notice or correspondence to the practice. The takebacks will be adjudicated by the practice's Carrier or MAC. Complex reviews require special notification and medical records for recoupment.

CONCLUSION

RAC audits are on their way and will have great impact for medical practices. If you need coding assistance to become compliant or are faced with an audit situation, give us a call at 216.579.1040.

Want more information on RAC? Visit www.cohencpa.com/specialties/healthcare.htm to download a special whitepaper regarding RAC audits.