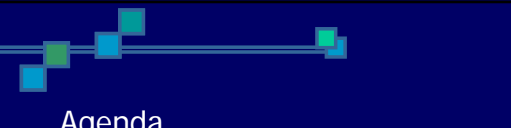




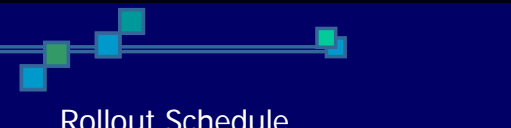
"While I'm RAC'd Slip Me A MIC"

November 16, 2009



Agenda

- How Did We Get Here
- Do We Have Any Friends
- Re-enforcements



Rollout Schedule

- RAC Demo ended March 27
- Demo evaluation report released July 11
- 4 new RACs announced October 1
- CMS/RACs to conduct outreach to hospitals in first round of RAC rollout
 - 4-6 weeks if existing RAC
 - 8-12 weeks if new RAC
 - RAC audits begin 4-6 weeks after CMS/RAC education with state hospital association.

Rollout Schedule

CMS' National Rollout Plan

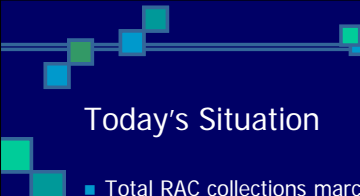
October 1, 2008 March 1, 2009 August 1, 2009 or later

Rollout Schedule

- Region C – Connolly consulting
 - Viant Payment Systems, Inc. will serve as a subcontractor to Connolly Consulting in region C.

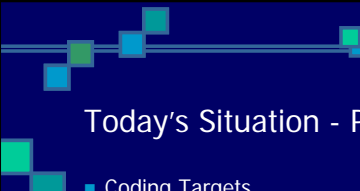
Rollout Schedule

- Connolly is tasked with auditing Region C, which consists of the states of: **AL, AR, CO, FL, GA, LA, MS, NC, NM, OK, SC, TN, TX, VA, WV** and the territories of **Puerto Rico** and **U.S. Virgin Islands**.



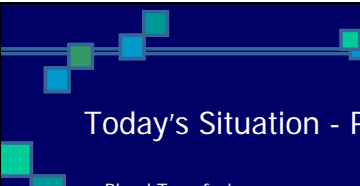
Today's Situation

- Total RAC collections march 2005-march 2008 = \$980 million
 - 35% incorrectly coded
 - 8% no/insufficient documentation
 - 40% medically unnecessary
 - 17% other



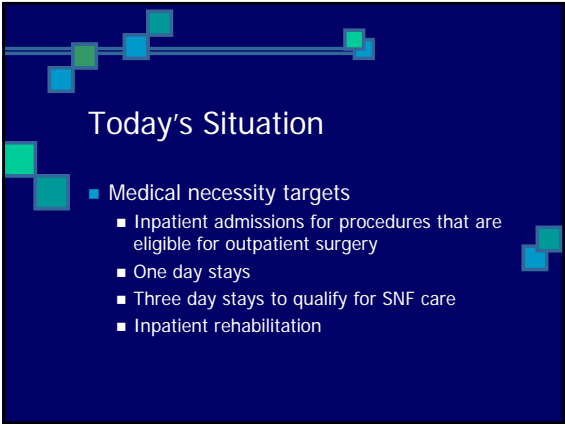
Today's Situation - Past

- Coding Targets
 - Debridement (excisional or not)
 - DRGs designated as complicated or having comorbidity with only one secondary diagnosis
 - Correct coding of discharge status for PAC transfer
 - Unit Coding



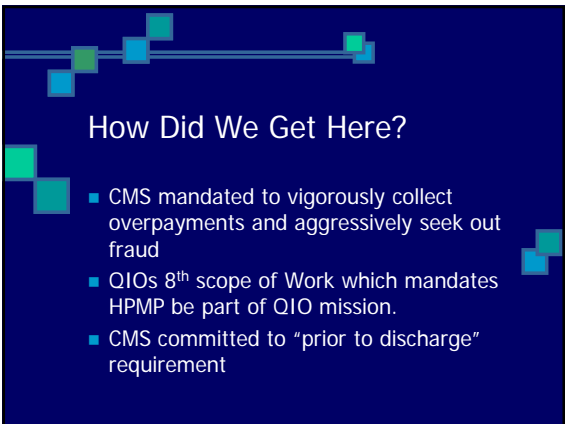
Today's Situation - Present

- Blood Transfusions
- Untimed Codes
- IV Hydration Therapy
- Bronchoscopy Services
- Once in a Lifetime Procedures
- Pediatric Codes Exceeding Age Parameters
- Injection Neulasta 6 mg



Today's Situation

- Medical necessity targets
 - Inpatient admissions for procedures that are eligible for outpatient surgery
 - One day stays
 - Three day stays to qualify for SNF care
 - Inpatient rehabilitation



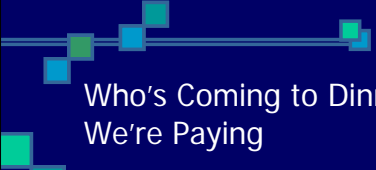
How Did We Get Here?

- CMS mandated to vigorously collect overpayments and aggressively seek out fraud
- QIOs 8th scope of Work which mandates HPMP be part of QIO mission.
- CMS committed to "prior to discharge" requirement



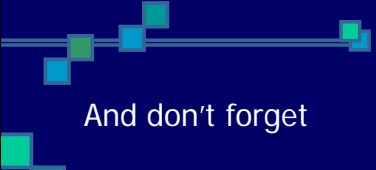
How Did We Get Here?

- Medicaid Integrity Plan
- "Observation Medicine"
- Tax Relief & Healthcare Act




Who's Coming to Dinner > We're Paying

- CERT – Comprehensive Error Rate Testing
- MACs – Medicare Administrative Contractors
- MICs – Medicaid Integrity Contractors
- MIG – CMS Medicaid Integrity Group
- MIGs – Medicaid Inspector General
- MIP – Medicaid Integrity Plan
- PERM – Payment Error Rate Measurement
- PSCs – Program Safeguard Contractors
- ZPICs – Zone Program Integrity Contractors



And don't forget

- OIG Workplan for 2009



Recommendation

- TELL THE BOARD
- TELL THE MEDICAL STAFF
- EDUCATE
 - Establish RAC Team

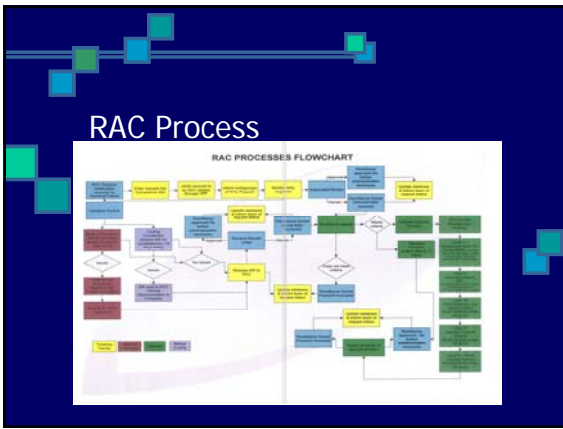
RAC Team/Task Force

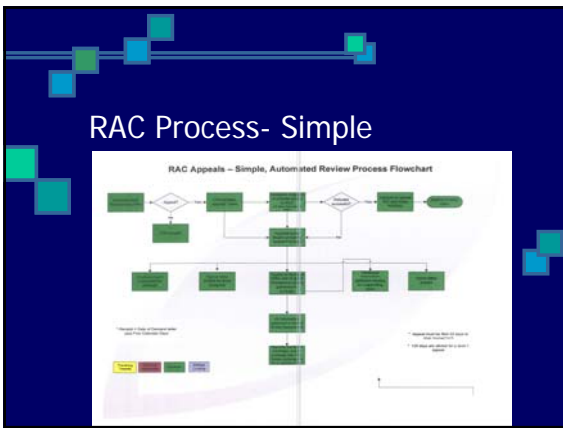
- Coding and Billing
- Medical Necessity
- Appeals
- Tracking and Trending
- Ad Hoc

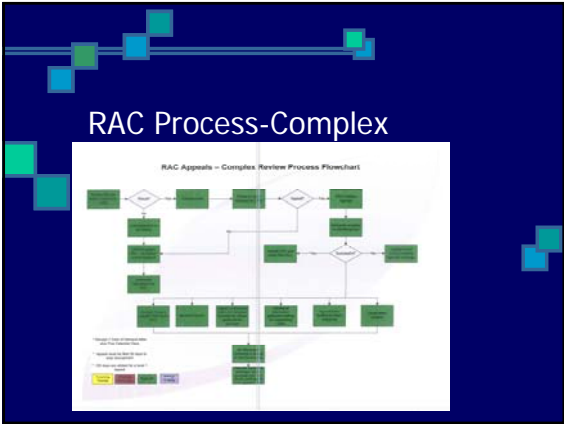
Date Completed	TASK	Comment
12-2008	Executive Sponsor	Eric McVey, M.D.
10-2008	RAC Coordinator CRO	Patsy Hathorn
February, 2009	Medical Review	Kendall Blake, M.D.
February, 2009	Appoint RAC Task Force to educate staff, establish policies and procedures for responding to RAC requests and denials in a timely manner	See Work Group List
	Identify all Cases at Risk > Prioritize by recoupment impact > Perform coding and medical necessity reviews > Establish a RAC repository > Test RAC workflow > Prepare periodic status reports > Get RAC updates	Appeal Work Group Billing/Coding/ Tracking Tracking Tracking Coordinator

	Calculate the impact of overpayment denials	Billing/Coding
	Rebill all IP denials as OP	Billing/Coding
February, 2009	Designate the position or department that will receive all RAC requests for health records	Tracking/HIM
	Develop and implement a procedure for responding to RAC requests for medical records in accordance with RAC requirements	Tracking/
	Develop a procedure for requesting an extension from the RAC when providing the records is too onerous within the time frame allowed	Tracking/Appeal
	Develop a procedure for originating and attaching an invoice to each medical record	Tracking/HIM
	Incorporate a tracking system such that all records are provided within the requested RAC time frames	Tracking

	Develop and implement a procedure for receiving determinations and submitting rebuttals or appeals as appropriate within the required RAC time frames.	Appeal
	Develop a procedure to appealing a RAC denial to the next level within the first and/or second appeal were unsuccessful	Appeal
	Develop a communication plan for notifying stakeholders of payment recoupment	Coordinator







- ### RAC Ramp Up
- Policy & Procedure
 - Space & equipment: Need by November, 2009
 - Flow chart: Due September 1, 2009
 - FTEs: November 2009

- ### RAC Ramp Up
- Record Release
 - 200 records >1 FTE
 - Medical Necessity Review
 - Unknown >2 FTEs
 - Coding Review
 - Unknown > 1 FTEs
 - Appeals
 - Unknown >FTEs
 - Unknown
 - Internal
 - External
 - Software

RAC Ramp Up Gaps

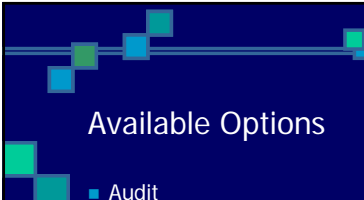
- Initial request date by Connolly
- Implementation date for Software
- Software:
 - No automated workflow routing
 - Web based. ISP model
 - No letter template
 - No references/links

Posted Approved Audits

- Issue Name:
 - Wheelchair Bundling
 - Description:
 - Bundling guidelines for wheelchair bases and options/accessories indicate certain procedure codes are part of other procedure codes and, as a result, are not separately payable.
 - Provider Type Affected: DME
 - Date of Service: 10/01/2007 - Open
 - States Affected:
 - Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia


Posted Approved Audits

- Issue Name:
 - Urological Bundling
 - Description:
 - Certain procedure codes are part of other procedure codes and are not separately payable.
 - Provider Type Affected: DME
 - Date of Service: 10/01/2007 - Open
 - States Affected:
 - Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia



Available Options

- Audit
- Audit
- Audit



QUESTIONS

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