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[www.IHAconnect.org](http://www.IHAconnect.org)

## ***Medicare and Medicaid Recovery Auditor Newsletter***

***November 2015***

If there are any RAC concerns that need to be addressed with CGI, HMS, Truven Health Analytics, OMPP or CMS, please contact Dave Wiesman, IHA Vice President, at [dwiesman@IHAconnect.org](mailto:dwiesman@IHAconnect.org) or 317-423-7741.

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### **CMS**

Effective January 1, 2016 CMS will implement the following enhancements to the Recovery Audit program.

- Revised ADR limits for facility claims will be based on the number of Medicare paid claims the previous year that are associated with their CMS Certification Number (CNN) and the provider's National Provider Identification (NPI).
  - The annual ADR limit will be 0.5% (one half of one percent) of the provider's total number of paid Medicare claims from the previous year.
  - The annual ADR limit will be divided by eight to establish the ADR cycle limit. This will be the maximum number of claims that can be included in a single 45 day period.
- The limits are diversified across all claim types of a facility based on the Type of Bill (TOB).
- Providers with low denial rates will have lower ADR limits while providers with high denial rates will have higher ADR limits. These low or high denials rates have not been determined.
- CMS reserves the right to establish a different record limit when directing Recovery Auditors to conduct reviews of specific topics or providers.
- ADR limits for physicians and DMEPOS providers remain unchanged.

The RA contractors in Region A and D have signed their extension contract. CGI is in the process of formalizing and signing the contract extension.

CMS is developing a provider satisfaction survey for providers to give feedback on the RA's performance; and will provide increased public reporting of data about the Recovery Audit Program.

Additional enhancements that will require modifications to the current contracts (effective dates are yet to be determined) are as follows:

- The RAs will have 30 days to complete complex reviews and notify providers of their findings.
- The RAs must wait 30 days before sending the claims for adjustment to the MAC in order to allow for a discussion period request.
- The RAs must confirm receipt of a discussion request or other written correspondence within 3 business days with the provider.
- The RAs will have to enhance their provider portals.
- CMS will require RAs to broaden their review topics to include all claim/provider types, and will be required to review certain topics based on a referrals, such as an OIG report.

For new contracts, RAs will not receive a contingency fee until after the second level of appeal is exhausted.

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## **CGI NEWS**

CGI is in the process of formalizing and signing the contract extension through July 31, 2016. CGI reminds providers to pay attention to the messages on the message board on their website as this will be frequently utilized in the future. CGI continues to encourage providers to use the template for contact information updates. Providers can obtain this template by contacting the call center. Once completed, the providers can send it to CGI who will in turn import and update all of the information in their system.

The fifth and final round of Post Pay Therapy ADRs was sent on October 16<sup>th</sup>. Once the contract extension is signed and official, providers will begin receiving regular ADRs. CGI will send out the first round of regular ADRs to OH, and KY; IN and MI will be in the second round. The dates for sending out the regular ADRs are still to be determined.

CGI reports that the average time that it is taking for completion of discussion period reviews is 11 days. There were 429 decisions in October for Region B. A large majority of reversals were once again related to drug reviews where providers sent in additional documentation.

CGI will most likely notify facility providers of their new ADR limits sometime in January.

CGI's September accuracy rate has not been resulted. Their previous accuracy rate for August was 97%.

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**URGE YOUR REPRESENTATIVE TO SUPPORT RAC PROGRAM REFORM**

Representatives Sam Graves (R-MO) and Adam Schiff (D-CA) have introduced the Medicare Audit Improvement Act of 2015 (H.R. 2156), a bill that would make much-needed improvements to the Recovery Audit Contractor (RAC) program. Please see IHA's website at <https://www.ihaconnect.org/news/Pages/Urge-your-representative-to-support-RAC-Program-Reform.aspx> in order to contact your U.S. Representative and urge him or her to co-sponsor the bill. It is critical that we get as many co-sponsors for this bill as possible. If you have questions, contact Brian Tabor, Vice President of Government Relations, at [btabor@IHAconnect.org](mailto:btabor@IHAconnect.org).