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FOCUS SAMPLE OF MEDICAL RECORDS PRIOR TO CMS RECOVERY AUDIT CONTRACTOR (RAC) REVIEW

CMS has implemented the Recovery Audit Contractor (RAC) program effective in all states. Check the attached map to see when similar audits will commence in your state. The RAC audit primarily focuses attention in four distinct areas as follows:

1. Inappropriate admissions
2. Surgical cases performed in the wrong setting
3. Inappropriate clinical coding
4. Apparent double billing for tests or procedures

CMS' subcontracted RAC auditors will first conduct a computerized review of all medical records in your state to search for apparent flags that will trip a detailed review of medical records seeking findings that lead to money being returned to CMS.

If there may be an apparent risk factor at your hospital, we propose to conduct a detailed review of a sample of your most recent three months of completed medical records. The objective is to test your hospital's overall vulnerability to a detailed RAC review. We review a focused sample (20%) of all discharges in the eleven case types identified by CMS as most likely to contain inappropriate admissions. We test a random sample (8.5%) of your hospital's most recent month's discharges to measure appropriateness of all utilization based on Interqual's Adult and Pediatric ISD-A (Intensity/Severity/Discharge/Appropriateness) Review System Criteria.

We will also test the appropriateness of your hospital's medical records coding for the specific case types that CMS has been denying for reimbursement (i.e., debridement) and test the general accuracy of coding for the entire sample of records chosen for review. It has been our recent experience that the amount of under coding identified in our client reviews, which is typically due to the intense complexity of the latest versions of DRG's, can often times offset the cost of the audit process.

Based on the findings of the review, we will be able to identify areas of weakness and quantify the hospital's potential risk from this detailed level of review. We will wait to see the actual results of the review before recommending future actions. Concurrently, we typically advise the hospital to take defensive steps to eliminate RAC risk factors, before devastating results to your bottom line and before the compliance appeal process.

Please call us at 732-974-7200 to discuss in greater detail or visit us at www.execresources.net for information on our company and our affiliated RAC audit company Hull Resource Management Group.

RAC Expansion Schedule

