



Medicare Recovery Audits (RAC)

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About Florida Hospital

- Main campus located in Orlando, Florida.
- Not for profit acute care hospital.
- Largest hospital within the Adventist Healthcare System.
- More than 2,000 beds over 7 campuses operating under one Medicare provider / NPI.
- Largest Medicare provider by admission in the U.S.



Florida Hospital's RAC Experience

Total Claims Audited 2006 - 2008 = 7,672

- Medical Necessity = 5,670
- DRG = 1,279
- Automated = 723

June – November 2007

- Average 1,290 requests per month
- Majority of claims adjudicated by RAC 4Q07 - 1Q08



Florida Hospital's RAC Experience

Appeal Statistics (as of 2/1/09)

Total Claims Reviewed by RAC – 7,672

Total Denied Claims – 3,030 (39.5%)

Total Appealed – 2,610 (86.1%)

Win Rate on Appeal (to date) - 1,330 (51.0%)

Pending Determination – 621 (23.8%)

Preparing for Success

- **Multi-disciplinary engagement.**
- **Know your risks:**
 - Inpatient 1 day stays
 - Medical necessity criteria met
 - Incorrect discharge status
 - Coding
 - SNF Placements / 3 day stay
 - Excess units charged
- **Identify Command Center – Centralize Communication.**

Preparing for Success (Cont.)

■ Form a RAC Team / Committee.

- Executive Leadership
- Revenue Management
- Patient Financial Services
- Compliance
- HIM / Coding
- Case Management
- Denial Management
- Medical Director
- Compliance

Preparing for Success (Cont.)

- **Physician Education.**
- **Define Process Flow and P&P.**
 - Audit Notification
 - Time Limits
 - Claims Tracking
 - Appeals Resolution
 - Sign-off from all disciplines.
- **Communicate with local and national provider advocates.**
- **Maintain consistent communications with the contractor.**



RAC Data Tracking

- Tracking Tools : In-house or Vender?
- Allow Shared View Access
- Restrict Input Access
- Consistency of Data throughout

Essential Data Elements

- Patient Demographics
- HIC / Claim Number
- Hospital Account ID
- Medical Record ID
- Admit/Discharge/LOS
- Type of Service
- DRG
- Date of RAC Notice
- Audit (Batch) ID
- Type of Audit - Reason for Audit
- Date Records Sent / Tracking Number
- LOS
- Reimbursement Risk
- Reason for Denial
- Recoup Amounts/Dates
- Levels of Appeal
- Appeal Date each level
- Appeal Responses / Dates
- Dollars Returned on Appeal / Date Returned
- Underpayments