American Hospital Association

RACTrac

Monitoring Recovery Audit Contractor Activity
May 6, 2009

American Hospital Association

Webinar Objectives

- How to access the ‘FREE’ AHA claim level tool to track RAC activity within your facility.
- How to utilize the claim level tool to track automated and complex record reviews.
- What it means to be ‘RACTrac-compatible’ and why this is important to advocacy initiatives.
- How to utilize the claim level tool so as to easily participate in the AHA RACTrac survey initiative to collect RAC experience data for advocacy initiatives.

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Resources for Webinar

- AHA RACTrac Advisory available at www.aha.org/rac
- Webinar Slides for May 6
- Download and review RACTrac Claim level tool and instructions at www.aha.org/rac under RACTrac
- Review RACTrac Survey Questions

For Technical Assistance please contact:

RACTracsupport@providercs.com

or call 1-888-RAC-TR1C

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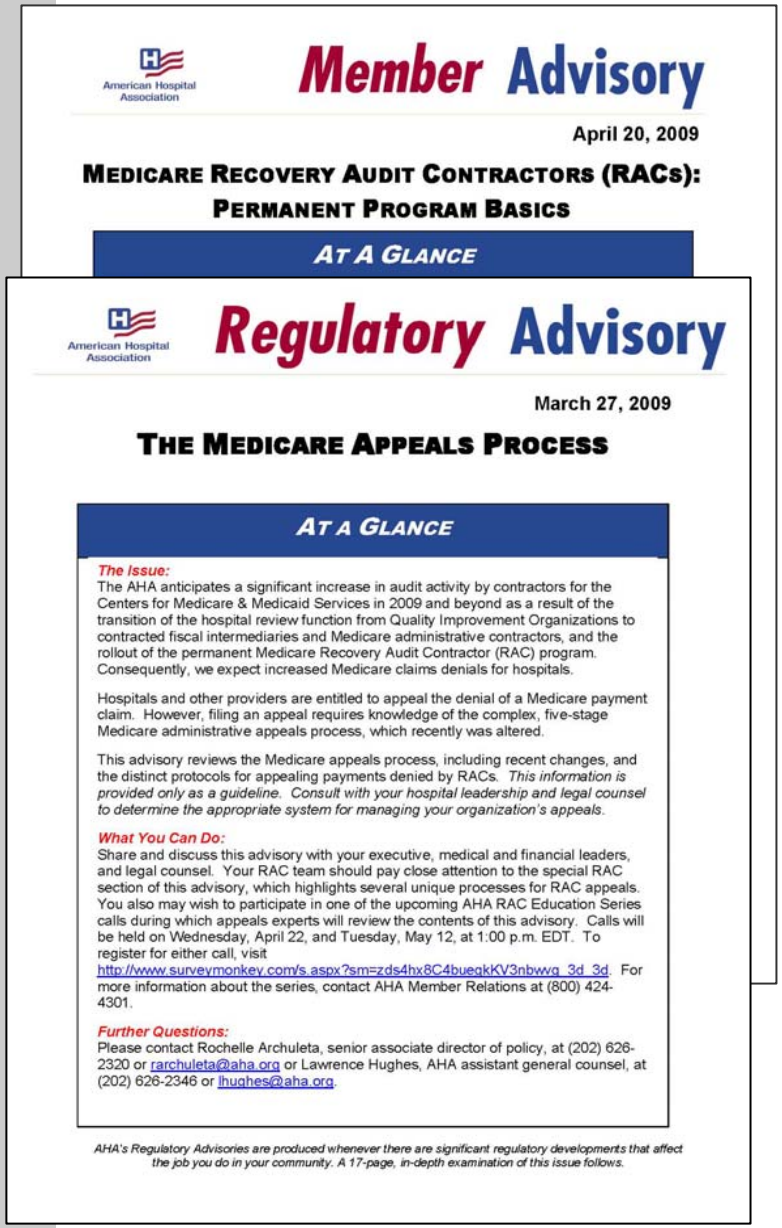
AHA MEMBER ADVISORIES



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Member Advisory

April 20, 2009

MEDICARE RECOVERY AUDIT CONTRACTORS (RACs): PERMANENT PROGRAM BASICS

AT A GLANCE

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Regulatory Advisory

March 27, 2009

THE MEDICARE APPEALS PROCESS

AT A GLANCE

The Issue:

The AHA anticipates a significant increase in audit activity by contractors for the Centers for Medicare & Medicaid Services in 2009 and beyond as a result of the transition of the hospital review function from Quality Improvement Organizations to contracted fiscal intermediaries and Medicare administrative contractors, and the rollout of the permanent Medicare Recovery Audit Contractor (RAC) program. Consequently, we expect increased Medicare claims denials for hospitals.

Hospitals and other providers are entitled to appeal the denial of a Medicare payment claim. However, filing an appeal requires knowledge of the complex, five-stage Medicare administrative appeals process, which recently was altered.

This advisory reviews the Medicare appeals process, including recent changes, and the distinct protocols for appealing payments denied by RACs. *This information is provided only as a guideline. Consult with your hospital leadership and legal counsel to determine the appropriate system for managing your organization's appeals.*

What You Can Do:

Share and discuss this advisory with your executive, medical and financial leaders, and legal counsel. Your RAC team should pay close attention to the special RAC section of this advisory, which highlights several unique processes for RAC appeals. You also may wish to participate in one of the upcoming AHA RAC Education Series calls during which appeals experts will review the contents of this advisory. Calls will be held on Wednesday, April 22, and Tuesday, May 12, at 1:00 p.m. EDT. To register for either call, visit http://www.surveymonkey.com/s.aspx?sm=zds4hx8C4buegkKV3nbwvg_3d_3d. For more information about the series, contact AHA Member Relations at (800) 424-4301.

Further Questions:

Please contact Rochelle Archuleta, senior associate director of policy, at (202) 626-2320 or rarchuleta@aha.org or Lawrence Hughes, AHA assistant general counsel, at (202) 626-2346 or lhughes@aha.org.

AHA's Regulatory Advisories are produced whenever there are significant regulatory developments that affect the job you do in your community. A 17-page, in-depth examination of this issue follows.

AHA Member Advisories

- ✓ The Medicare Appeals Process
  - Free - Members Only Audio Conference Scheduled for May 12th
- ✓ RAC Permanent Program Basics
- ✓ RACTrac: Monitoring RAC Activity

Available at www.aha.org/rac

To become an AHA member, please contact AHA member relations at 1-800-424-4301

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Webinar Agenda

- What is RACTrac? Why is it Important?
- Brief Overview of RAC Correspondence
- Demonstrate the Claim Level Tool and Relationship to RACTrac Survey
- Review RACTrac Survey – www.aharactrac.org
  - Timing of Data Collection
  - Who will have access to my data
  - What to expect moving forward
- What does it mean to be RACTrac Compatible?

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What is RACTrac?

Why is RACTrac Important?

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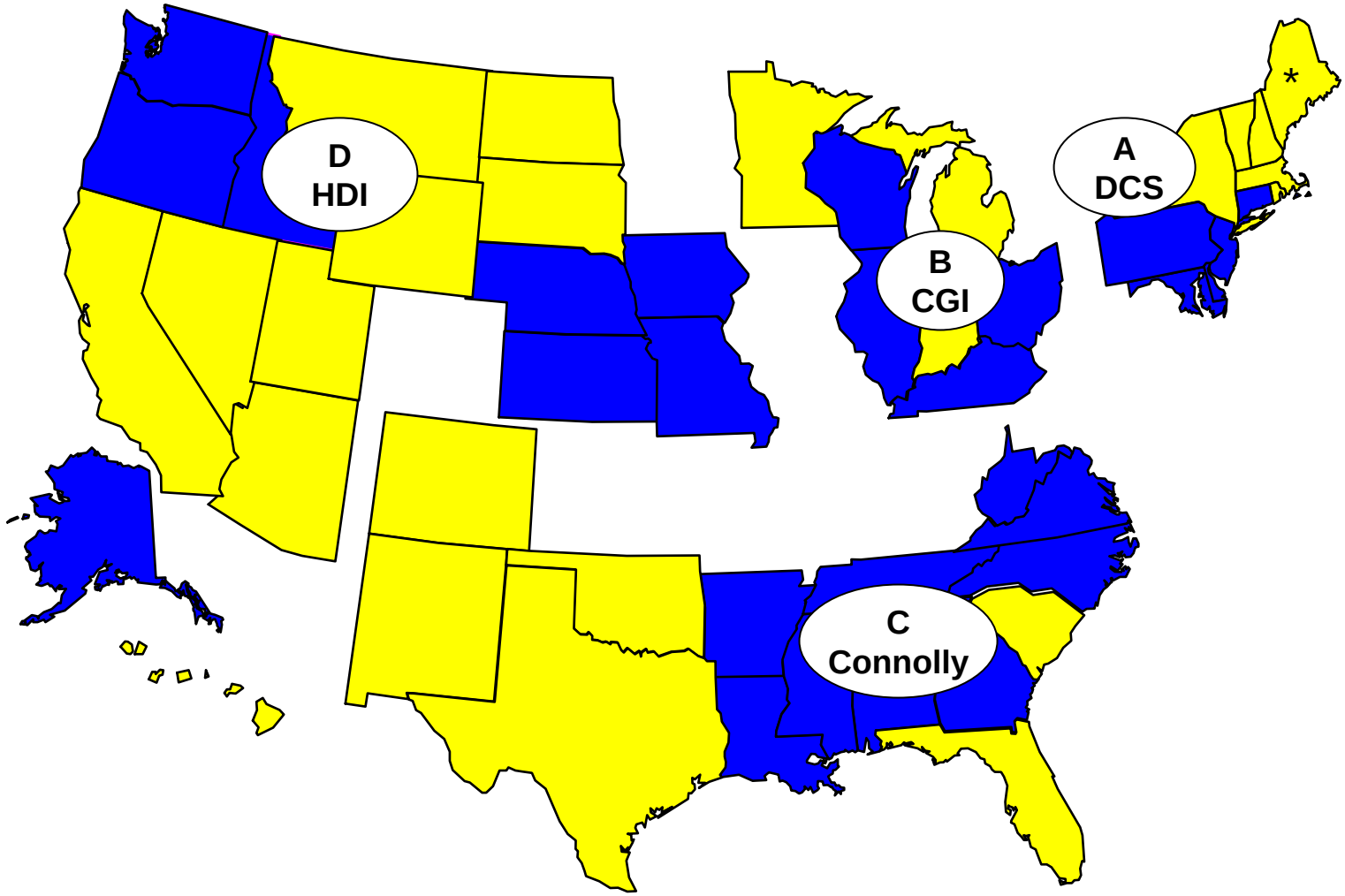
CMS' National Rollout Plan



March 1, 2009

August 1, 2009 or later

*VT, NH, ME, MA, RI, CT (J14) Part A claims (including Part B of A) will not be available for RAC review until August 2009 due to the MAC transition. Part B claims in RI will not be available for RAC review until August 2009 due to the MAC transition. All other Part B claims are available for RAC review beginning March 1, 2009.

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RAC Demo Findings

RAC Impact: March 2006 to March 2008

Overpayments Collected: **$992.7 m**

Less Underpayments Repaid: ($37.[illegible])

Less $ Overturned on Appeal: - ($[illegible])

Less PRC IFF Reviews: - ([illegible]4.0 m)

Less Costs of Fun Demo: - ($201.3 m)

Outcome Still Unknown

BACK TO TRUST FUNDS → **$693.6 m***

*Chart does not account for many pending appeals.

95% from Hospitals

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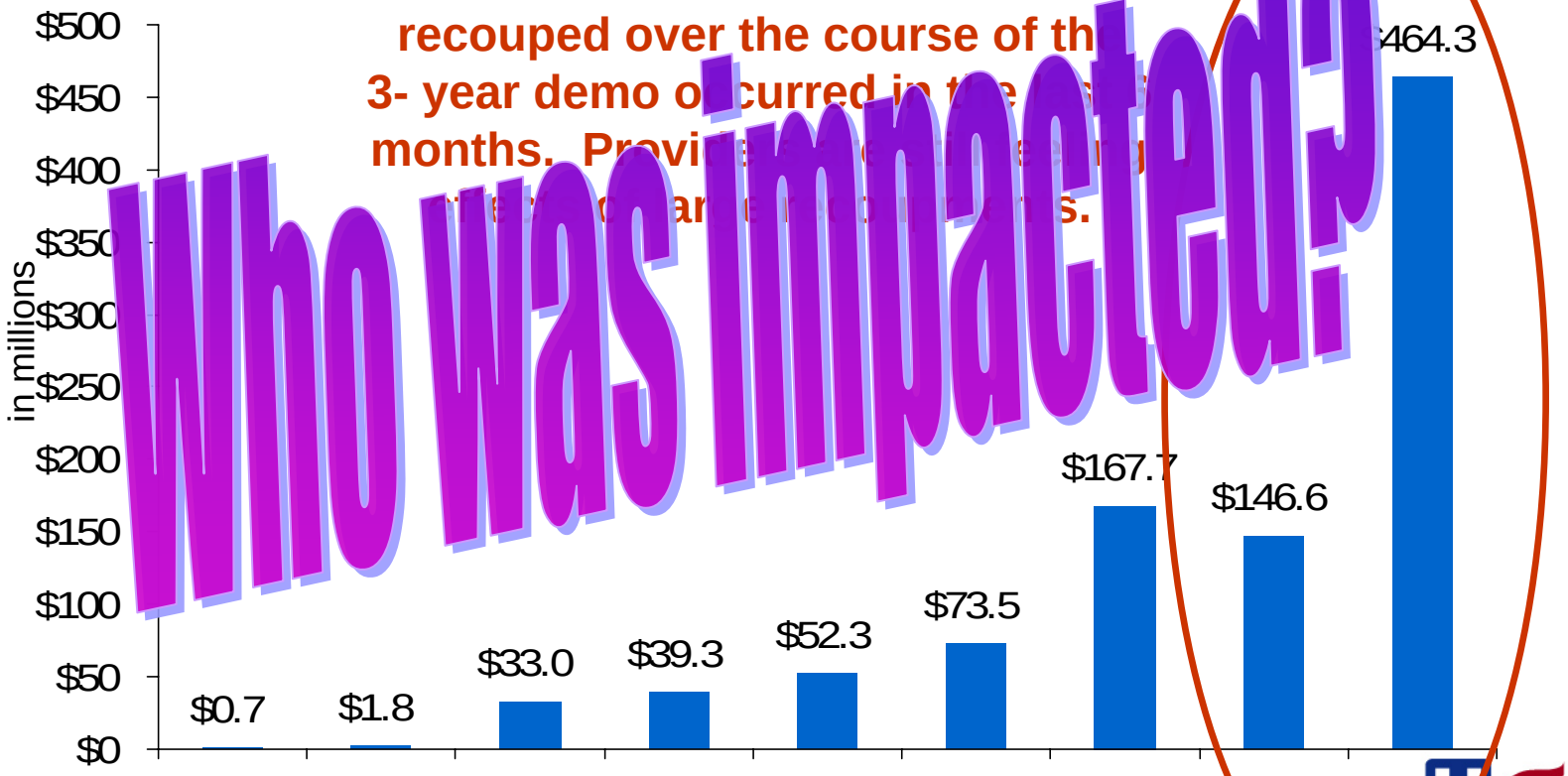
RAC Impact on Hospitals

Overpayments Collected by Quarter:

More than half of all dollars recouped over the course of th… 3- year demo o…curred in t… months. Provi…

Who was impacted?



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Source: CMS, The Medicare Recovery Audit Contractor Program: An Evaluation of the 3-Year Demonstration, June 2008

RAC Demo Findings

RAC Appeals Experience to Date

	July 2008 Data thru 3-31-08	September 2008 Data thru 6-30-08	January 2009 Data thru 8-31-08
Total RAC Denials	525,133	525,133	525,133
Overall Appeal Rate	1.0%	1.9%	2.5%
Overturned or Partially Overturned Appeals	33.3%	34.2%	34.0%
Overturned Rate	0.3%	6.8%	7.6%

Source: CMS Demonstration Appeals Numbers – www.cms.hhs.gov/rac

What is the dollar value?

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AHA RACTrac Goals

- **Use RAC experience data collected via survey from hospitals to educate the field about trends in RAC audit activity and to advocate for continued changes in the RAC program**
- **Make it simple for hospitals to report data to AHA for use in advocacy activities**
- **We are all in this together.**

What is AHA *RAC*Trac?

- **Web-based Survey** to Collect RAC Experience Data from Hospitals
- Unit of analysis is the hospital
    - General Medical/Surgical Hospitals including Critical Access Hospitals
    - LTCH
    - Psych
    - Rehab
- **Quarterly data collection**
    - Automated Denials
    - Complex Denials
    - Underpayments
    - Appeals
    - Administrative burden
- **Collect both quarterly snapshot and cumulative information on RAC experience to date**

Review the RACTrac Survey Questions and Definitions at www.aha.org/rac under RACTrac!

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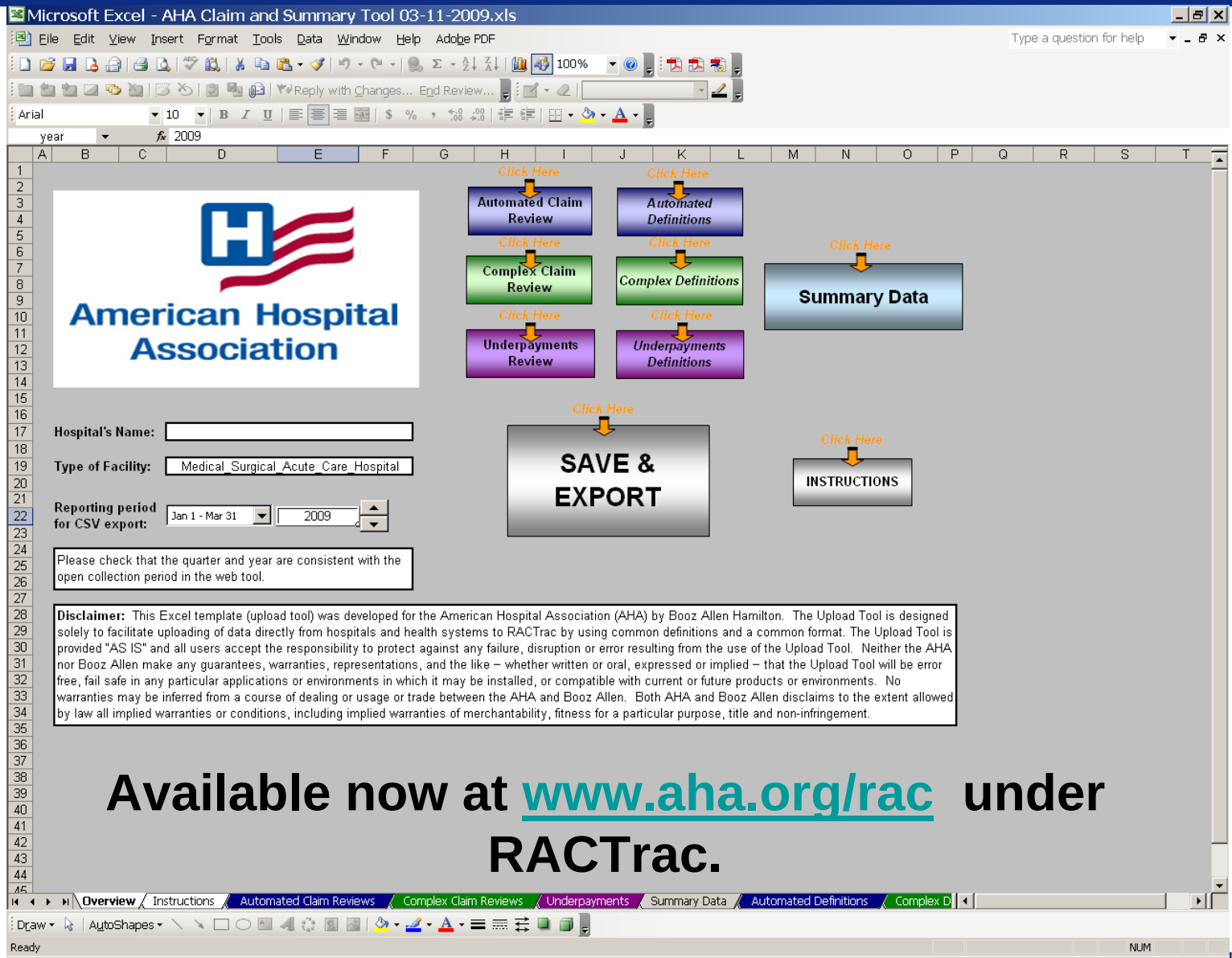
Free Claim Management Tool



Available now at www.aha.org/rac under RACTrac.

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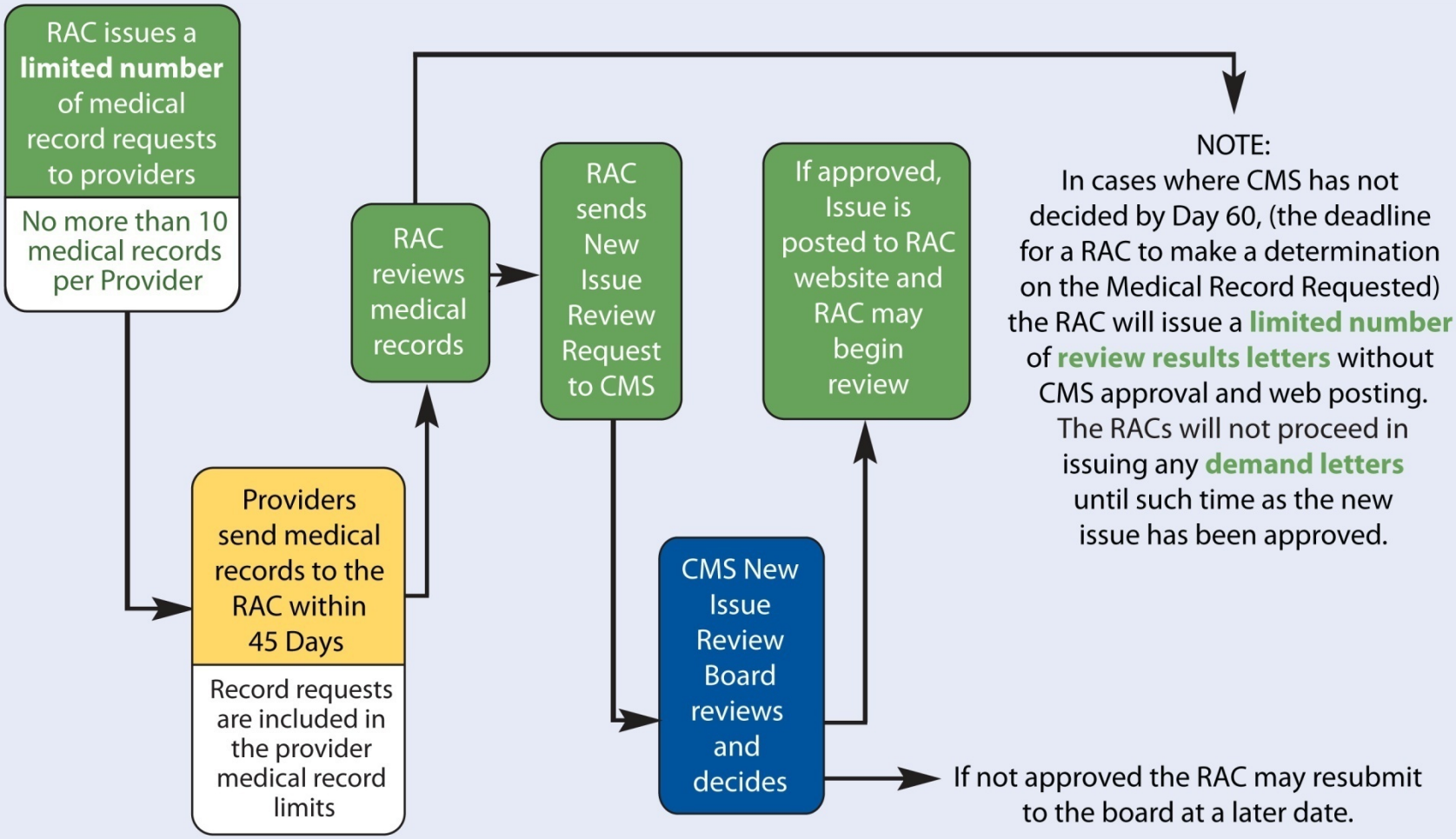
Claim Management Tool

- Many hospitals in the demo used Excel
- An Excel Template to get you started in tracking:
  - Automated denials
  - Medical record requests and denials
  - Underpayments
  - Appeals
- Its FREE and available to all hospitals (members and non members)
- Download the tool at www.aha.org/rac under RACTrac!
- This tool will organize your data to report into RACTrac. (Summary Report and CSV File)

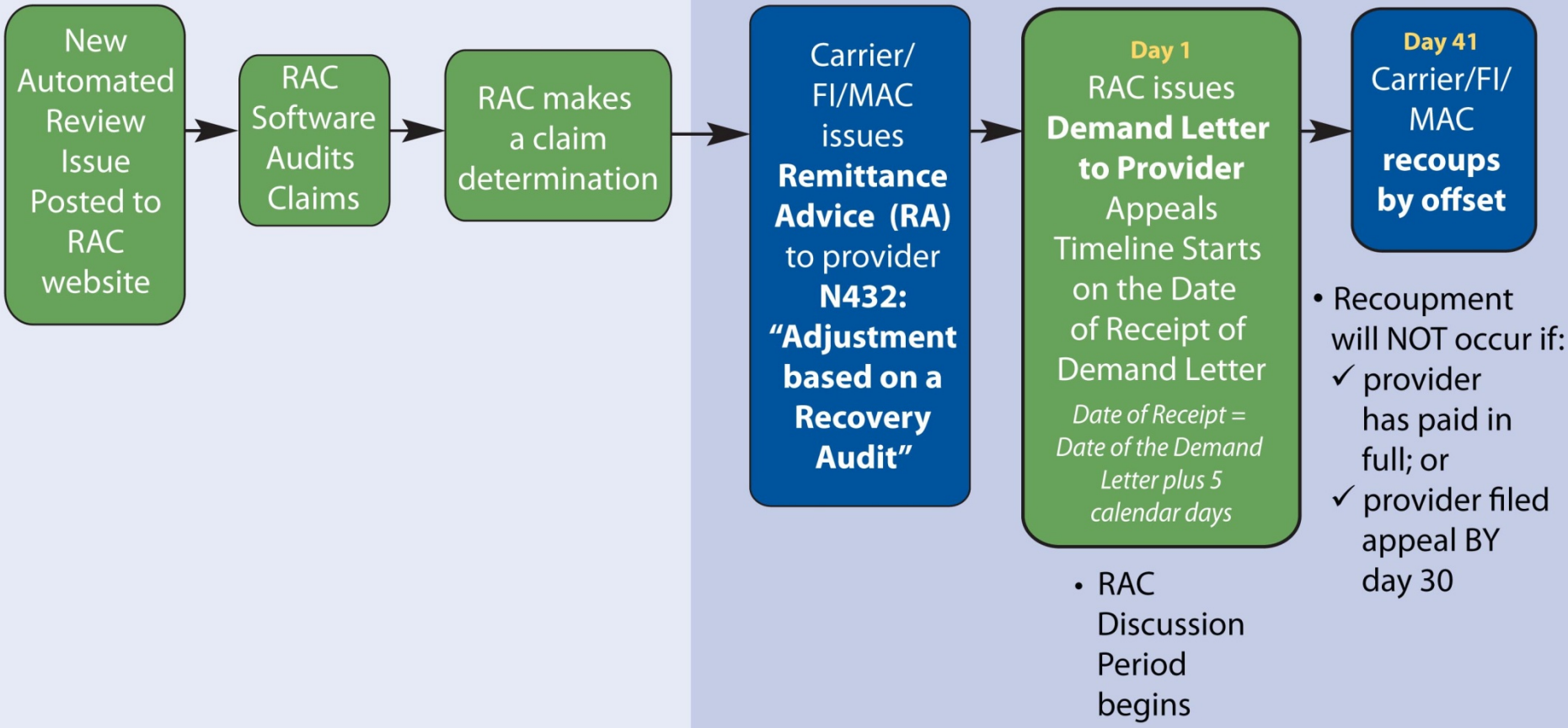
Claim Management Tool

- A Starting Point
- Platform for organizing data that is manually entered by a hospital
- Static – can't be updated like a web based application. As the program changes, the Excel tool does not.
- Prone to human errors; file is large and may run slowly.
- Limited Customization
- One worksheet per hospital. You should not track more then one hospital in the claim level tool.
- Hospitals should only track RAC denials in claim level tool

RAC New Issue Review Process for **COMPLEX CLAIM REVIEW**



RAC Review & Collection Process



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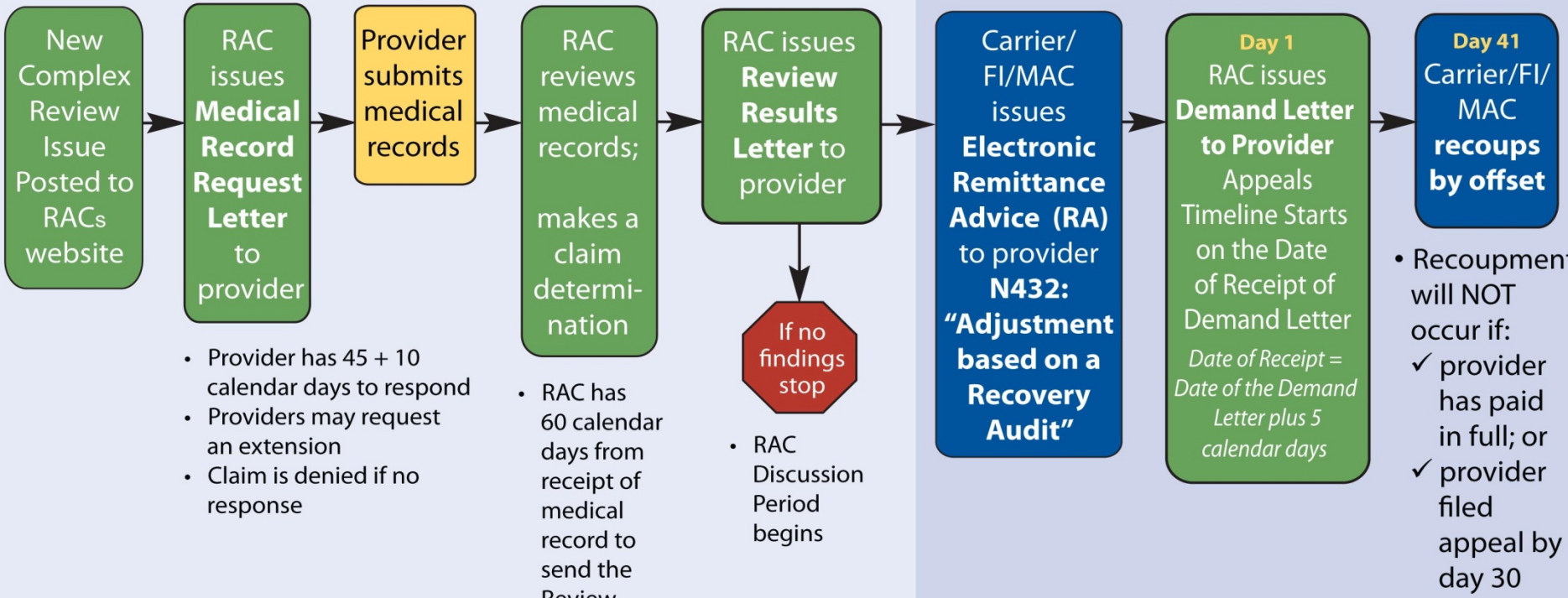
RAC Review & Collection Process



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Demonstrate Claim Level Excel Tool

Disclaimer:

This Excel template (upload tool) was developed for the AHA by Booz Allen Hamilton (BAH). The Tool is designed solely to facilitate uploading of data directly from hospitals and health systems to RACTrac by using common definitions and a common format. The Upload Tool is provided "AS IS," and all users accept the responsibility to protect against any failure, disruption or error resulting from the use of the Upload Tool. Neither the AHA nor BAH make any guarantees, warranties, representations and the like whether written or oral, expressed or implied that the Tool will be error free, fail safe in any particular applications or environments in which it may be installed, or compatible with current or future products or environments. No warranties may be inferred from a course of dealing or usage or trade between the AHA and BAH. Both AHA and BAH disclaim to the extent allowed by law all implied warranties or conditions, including implied warranties of merchantability, fitness for a particular purpose, title and non-infringement.

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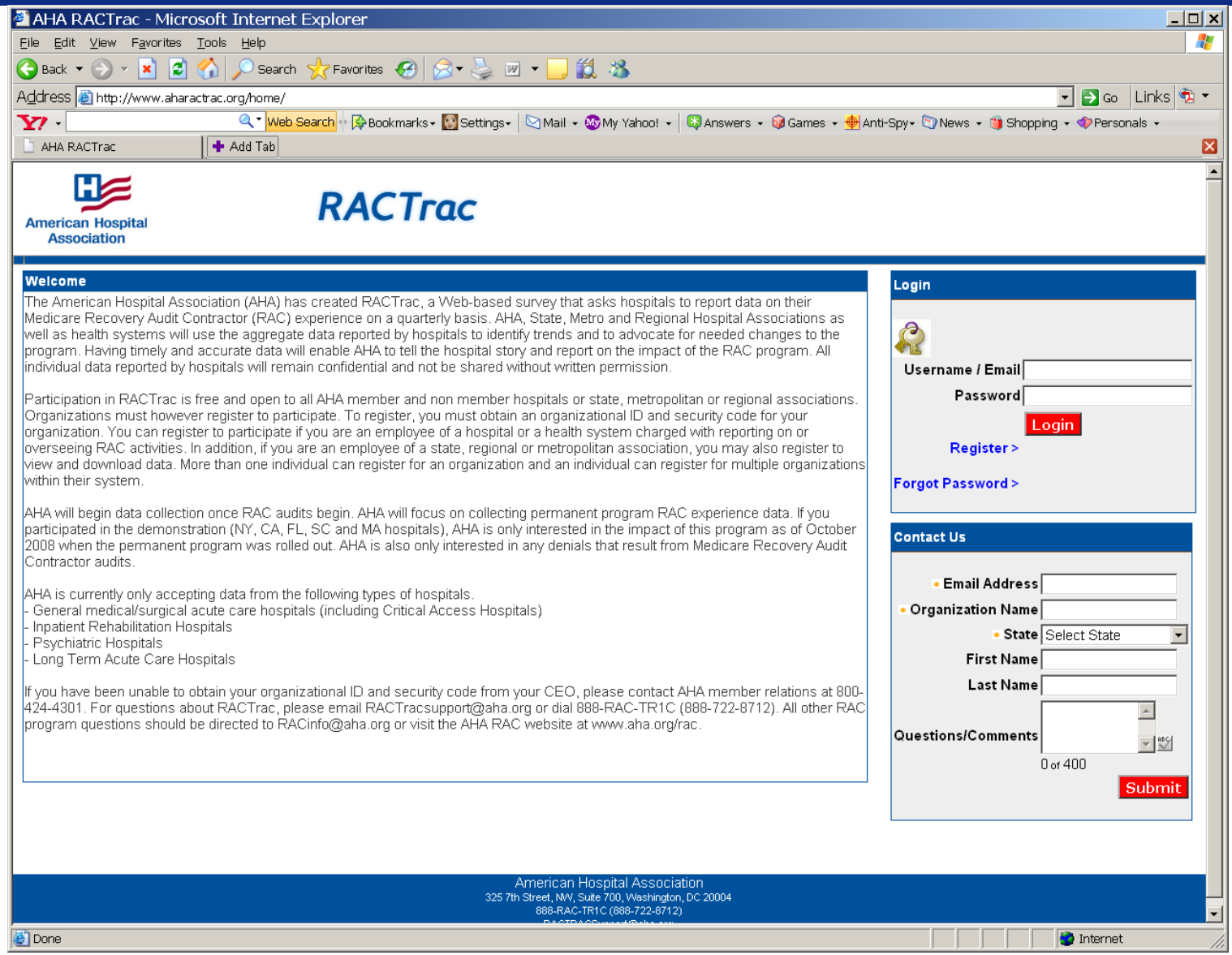
www.aharactrac.org



AHARACTrac.org – a web- based survey will go live later this summer.

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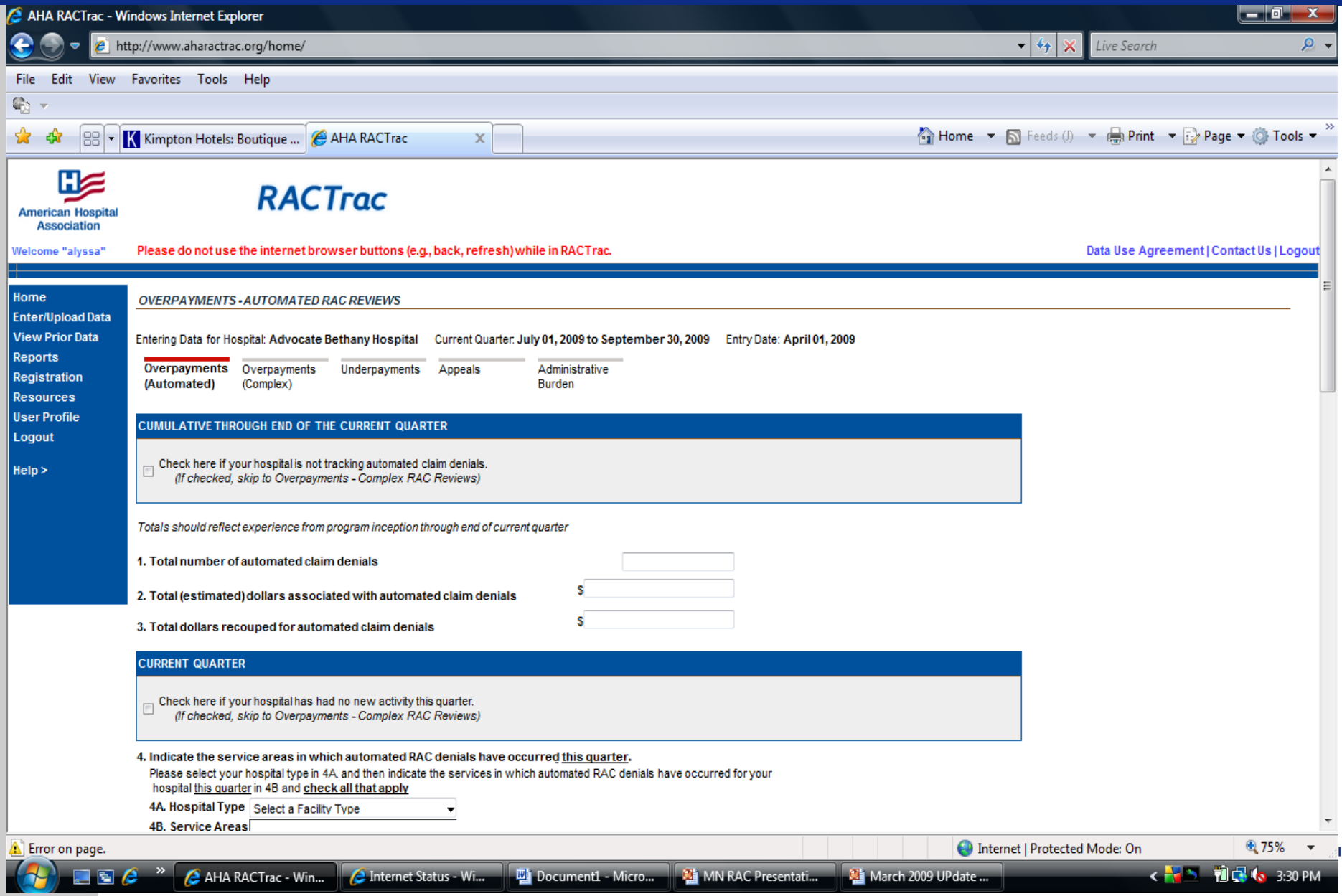
Enter Data Online

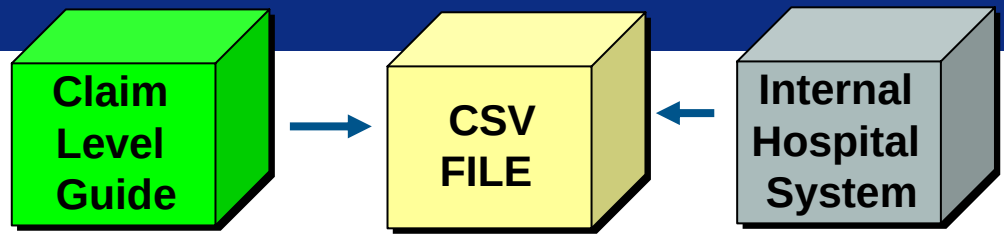


www.aharactrac.org Rollout

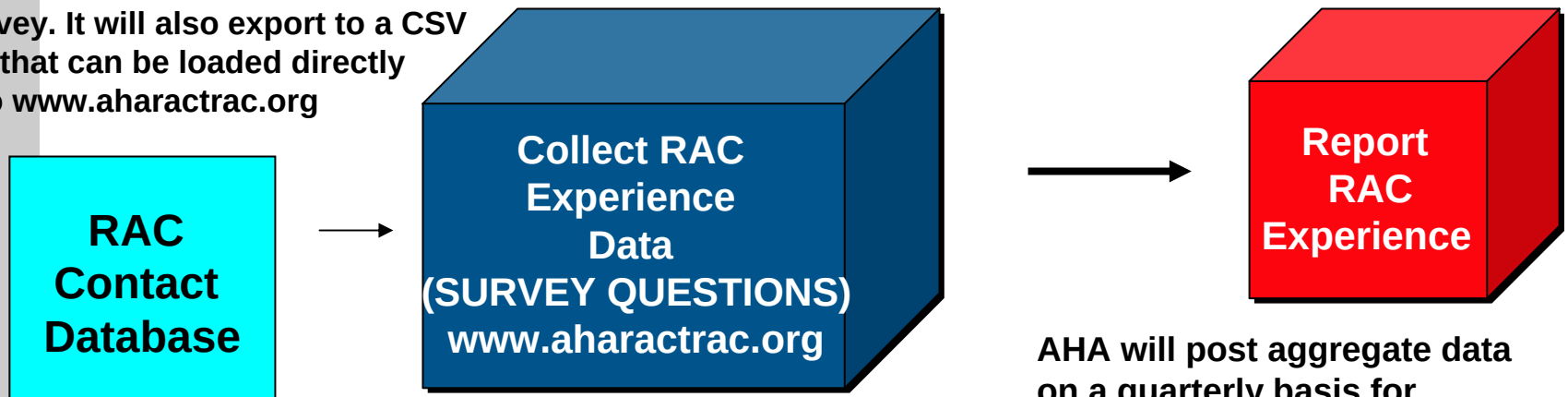
- Automated Reviews likely to begin in June
- Complex Reviews likely to begin later in the fall or winter
- Earliest Data Collection to Start – October 1
- Step 1 – AHA to send invitation CEO to participate in RACTrac!
- Step 2 – Hospital RAC Liaison's to Sign Up to be registered users!
  - Likely to be a Slow Rollout - State by State
- Step 3 –All registered users will be notified as to when data collection will begin in their state

RACTrac Functionality –www.aharactrac.org

In order for hospitals to provide RACTrac with summary-level data on a quarterly basis, they must have a mechanism to track activity internally. AHA is providing a BASIC claim level Excel template that will guide hospitals' in tracking this data. It is specifically designed to summarize data to answer the survey. It will also export to a CSV file that can be loaded directly into www.aharactrac.org



RACTrac Compatible Vendor may create a CSV File upload or a Report



Email Functionality

RACTrac's primary purpose is the collection of RAC · experience data from hospitals on a quarterly basis and to maintain it in a secure location.

AHA will post aggregate data on a quarterly basis for RACTrac registered users.

For more information read our RACTrac Advisory available at www.aha.org/rac

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RACTrac Compatible Vendors

- **AHA is currently working with several vendors who have developed claim level RAC audit tracking tools and would like to make their tools RACTrac "compatible."**
- **A RACTrac compatible vendor will allow you to easily aggregate your RAC experience data and report it to AHA on a quarterly basis through www.aharactrac.org**
- **Ask your vendor – Is your tool AHA RACTrac "compatible?"**
- **See the current vendor list at www.aha.org/rac under RACTrac. The list is updated periodically.**

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What does it mean to be RACTrac Compatible?

- To earn the title RACTrac Compatible, AHA will validate that the product will aggregate RAC experience data in a way that will answer AHA's RACTrac survey questions (excluding Administrative Burden Questions).
- HOW – 2 options available to Vendors
  - Create a summary report that can be used by hospitals to manually enter their data at www.aharactrac.org
  - Create a CSV file that matches the AHA RACTrac CSV file for upload into www.aharactrac.org
- AHA will not provide for seamless upload from another product into RACTrac. The hospital must register and enter or upload data themselves on a quarterly basis.
- Having your name listed on the vendor list does not mean you are RACTrac compatible – the status column will indicate compatibility date

AHA Disclaimer

- A vendor's appearance the AHA list **implies neither support nor endorsement of any particular product of vendor,** but rather this list is provided solely as background for those who are looking to identify a product for their organization.

- The compatible status column will change as individual products compete the testing and validation process – noted on our website

Continued Compatibility with RACTrac

- AHA hopes to make only ANNUAL updates to the survey when needed (e.g. claim level tool and survey questions)
  - AHA will provide vendors with the list of updates prior to implementation and distribute a timeline for implementation
  - Updates will likely include new denial reasons or additional questions to the site that will reflect changes in the program and impact on providers
- Vendor calls will continue as appropriate
- AHA is committed to working with vendors on an ongoing basis regarding RACTrac related initiatives

Why AHA RACTrac?

- ✓ **Internally tracking RAC audit activity is essential for minimizing financial risk, identifying areas for improvement and surviving the RACs.**
  - *A claim management tool* will help you organize your data
- ✓ **Data on the impact of the RACs on hospitals is essential for AHA to be successful in our advocacy efforts.**
- ✓ **Participation in *RAC*Trac will allow AHA to identify trends in reasons for denials across the RAC regions or at the national level. This information can be used to educate the field.**
- ✓ **Hospital participation in *RAC*Trac will provide AHA and the State Hospital Associations the data they need to advocate on your behalf.**
- ✓ **RACTrac is FREE and available to hospitals that would like to provide data regardless of membership**

Get Ready

- **AHA will start requesting data from hospitals in fall 2009.**
- **Look for resources at www.aha.org/rac under RACTrac**

Questions??

RACTracsupport@providercs.com

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