

# PHYSICIAN ADVISORY SERVICES

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## THE "HEAT" IS ON...

In his March 4, 2010 testimony to the House Appropriations Committee's Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Inspector General Daniel R. Levinson outlined the Office of Inspector General's (OIG's) role in preventing and detecting health care fraud, waste, and abuse and enforcing actions against those who misuse the system.

Inspector General Levinson reported that the President's 2010 Budget to fund the Health Care Fraud and Abuse Control (HCFAC) and the proposed President's 2011 Budget to fund HCFAC represented \$232 million and \$272 million respectively. This represents a net increase of \$65 million in discretionary funding, which includes \$25 million to continue funding OIG's oversight and enforcement activities which were previously funded through the Deficit Reduction Act of 2005 and \$40 million in new funding in support of the Health Care Fraud Prevention & Enforcement Action Team (HEAT) initiative.

The creation of HEAT was announced in May of 2009 by Secretary of Health and Human Services Kath-

leen Sebelius and Attorney General Eric Holder with the purpose of combining the efforts of HHS and the Department of Justice to combat Medicare fraud. According to Inspector General Levinson's testimony, the collaboration has:

- Strengthened OIG's *prevention* of health care fraud, waste, and abuse through interagency communication about fraud trends, new initiatives, and the development of ideas and strategies for prevention;
- Strengthened the ability to *detect* fraud patterns and trends through the development of a data analysis team, allowing resources to be strategically targeted for particular geographic regions and through the ability to obtain data more quickly and efficiently; and
- Strengthened *enforcement* through the expansion of Medicare Fraud Strike Force Teams.

The Strike Force Teams, comprised of Department of Justice (DOJ) prosecutors and Special Agents from OIG, the FBI, and in some cases, state and local law enforcement agencies are supported by the data analysis team and by CMS program experts and con-

tractors. According to the testimony, their collaborative efforts have resulted in a decrease of roughly half the average time from an investigation's start to the case's prosecution. The Strike Force Teams were initially established in two locations, Miami and Los Angeles. In 2009, additional teams became operational in Houston, Detroit, Brooklyn, Tampa and Baton Rouge. With the additional funding anticipated by the President's Budget, Inspector Levinson reported that OIG will work with the DOJ to establish Strike Forces in 13 new locations in 2011 and 2012, bringing the total number of Strike Force locations to 20. The selection of Strike Force locations will be based on data analysis of Medicare claims to determine the fraud hot spots.

Inspector General Levinson's testimony reiterates the government's commitment to seeking out and prosecuting those who seek to abuse the Medicare and Medicaid Programs. To read the complete testimony follow the link below.

<http://oig.hhs.gov/testimony/docs/2010/3-4-10LevinsonHAp-propsSub.pdf>

**Provider Options - RAC Overpayment Determination**

	Discussion Period	Rebuttal	Redetermination
<b>Which option should I use?</b>	The discussion period offers the opportunity for the provider to provide additional information to the RAC to indicate why recoupment should not be initiated. It also offers the opportunity for the RAC to explain the rationale for the overpayment decision. After reviewing the additional documentation submitted the RAC could decide to reverse their decision. A letter will go to the provider detailing the outcome of the discussion period.	The rebuttal process allows the provider the opportunity to provide a statement and accompanying evidence indicating why the overpayment action will cause a financial hardship and should not take place. A rebuttal is not intended to review supporting medical documentation nor disagreement with the overpayment decision. A rebuttal should not duplicate the redetermination process. (See 42 CFR 405.374-375)	A redetermination is the first level of appeal. A provider may request a redetermination when they are dissatisfied with the overpayment decision. A redetermination must be submitted within 30 days to prevent offset on day 41.
<b>Who do I contact?</b>	Recovery Audit Contractor (RAC)	Claim Processing Contractor	Claim Processing Contractor
<b>Timeframe</b>	Day 1 - 40	Day 1-15	Day 1-120 Must be submitted within 120 days of receipt of demand letter. To prevent offset on day 41 the Redetermination must be filed within 30 days.
<b>Timeframe Begins</b>	Automated Review: Upon receipt of Demand Letter Complex Review: Upon receipt of Review Results Letter	Date of Demand Letter	Upon receipt of Demand Letter
<b>Timeframe Ends</b>	Day 40 (offset begins on day 41)	Day 15	Day 120

Source: <http://www.cms.gov/RAC/Downloads/ProviderOptionsChart.pdf>

**Region A-DCS**

<http://www.dcsrac.com/issues.html>

**Region B-CGI**

<http://racb.cgi.com/Issues.aspx?st=1>

**Region C-Connolly Healthcare**

[http://www.connollyhealthcare.com/RAC/pages/approved\\_issues.aspx](http://www.connollyhealthcare.com/RAC/pages/approved_issues.aspx)

**Region D-HCI**

<https://racinfo.healthdatainsights.com/Public/NewIssues.aspx>

To access the RAC FAQs on the CMS website click [HERE](#):



**RAC FAQs - EXCERPTS FROM CMS WEBSITE**

**Can the Recovery Audit Contractor (RAC) do a medical necessity review on a claim that they originally reviewed for DRG validation?** At this time, if the RAC has already requested documentation and issued a review results letter to the provider for a DRG Validation, the RAC will not be allowed to re-review the claim again for medical necessity. However, if both issues are approved (DRG validation and medical necessity) prior to the request of the additional documentation, the RAC may conduct both reviews simultaneously. I heard that RAC medical records request limits will be based on my 2007 claims volume, then I heard on 2008. Which is it? We

apologize for the confusion. Limits in the remainder of the fiscal year ending September 30, 2009, are based on claim volume in the 2008 calendar year. This differs from our original announcement that limits in the current year would be based on 2007 claim volumes. Our original plan was to use the previous calendar year's volume to calculate the following fiscal year's limits. In other words, we envisioned using claims paid from January 2007 through December 2007 to develop limits for October 2008 through September 2009. Claims paid in calendar 2008 would then drive limits in fiscal 2009, calendar 2008 would drive fiscal 2010,

and so on. Unfortunately, the RAC program was subject to a several-month delay while various contract issues were being resolved. By the time we were ready to resume work in February 2009, claim data for all 2008 was available. Recognizing that many providers have grown or contracted due to changes in the economic environment, we decided to use the most current figures available to us instead. We recognize that the calendar/fiscal year schedule is confusing and we're exploring other alternatives for future years. We welcome suggestions at <rac@cms.hhs.gov>.



**MEDMANAGEMENT FEATURED IN THE BIRMINGHAM NEWS**

MedManagement was featured in an article written by Anna Velasco that appeared in The Birmingham News on April 20, 2010. The article gives a brief history of MedManagement and discusses the growth the company has experienced over the last year through its expansion

into six states. In the article, Joan Ragsdale discusses how the number of hospital audits is increasing. She says, "The Obama administration has an intense focus on eliminating fraud, abuse and waste. That definition includes services that were appropriately

billed but were not documented properly." The article can be read in its entirety by clicking on the following link. [http://blog.al.com/businessnews/2010/04/local\\_firm\\_medmanagement\\_grows.html](http://blog.al.com/businessnews/2010/04/local_firm_medmanagement_grows.html)