

# PHYSICIAN ADVISORY SERVICES

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**QUICK MEDMANAGEMENT CONTACT LIST:**

- Joan Ragsdale, 205-970-8804  
[jragdale@medmanagementllc.com](mailto:jragdale@medmanagementllc.com)
- Ann Purdy, 205-314-8859  
[apurdy@medmanagementllc.com](mailto:apurdy@medmanagementllc.com)
- Pam VanEngelenhoven, 205-970-8815  
[pvanengelenhoven@medmanagementllc.com](mailto:pvanengelenhoven@medmanagementllc.com)
- Gregory Palega, MD, JD, 205-313-6648  
[gpalega@medmanagementllc.com](mailto:gpalega@medmanagementllc.com)

Questions? Contact us at:

**MedManagement, LLC**

1500 Urban Center Drive

Suite 325

Birmingham, AL 35242

205-970-8800

Visit our website at:

[www.medmanagementllc.com](http://www.medmanagementllc.com)

## PRESIDENT OBAMA ANNOUNCES NEW EFFORT TO CRACK DOWN ON WASTE AND FRAUD

Building on the Executive Order signed by President Obama in November of last year, President Obama announced new efforts this month to crack down on waste and fraud in Medicare, Medicaid, and other government programs through the expanded use of "payment recapture audits". On March 10th, the President signed a memorandum directing all federal departments and agencies to "expand their use of payment recapture audits under their current authority". The payment recapture audits offer specialized private auditors financial incentives to root out improper payments and could return at least \$2 billion in taxpayer money over the next three years—double the current amount of projected recovered costs. Additionally, the President announced support for the Improper Payments Elimination and Recovery Act, bipartisan legislation expanding the ability of government agencies to fund the audits with recaptured payments. Currently, the use of reclaimed funds to fund recapture audits is limited to Medicare Fee-for-Service program payments and for government con-

tracts at the 20 out of 24 major government agencies that do more than \$500 million in government contracting. Expansion of this authority would extend this privilege to many other forms of federal benefit payments made to organizations such as state governments, colleges and universities, banks and non-profit organizations. The previously signed Executive Order from November 2009 focused on three categories of action to reduce improper payments and eliminate waste: boosting transparency, holding agencies accountable, and creating strong incentives for compliance. That particular order charged the Director of the Office of Management and Budget (OMB), the Secretary of the Treasury, the Attorney General, and the Council of Inspectors General on Integrity and Efficiency (CIGIE) to work together to identify federal agencies with the largest dollar amount of improper payments and to publish current and historical payment information on an internet website. The Order further requires each high priority program to desig-

nate a single individual to be accountable for meeting targets as outlined in the Order with respect to identifying and recovering the improper payments. Lastly, the Order directs the OMB to make recommendations to improve audits of state, local, and nonprofit organizations expending federal funds and to work in conjunction with the Federal Acquisition Regulatory Council and in consultation with the National Procurement Fraud Task Force (or its successor group), the CIGIE, to enhance contractor accountability. To read the entire announcement issued by Washington this month, you may click on the following link: <http://www.whitehouse.gov/the-press-office/president-obama-announces-new-effort-crack-down-waste-and-fraud>. To read the President's Executive Order issued in November, you may click on the following link: <http://www.whitehouse.gov/the-press-office/executive-order-reducing-improper-payments>.

## CONNOLLY CONTINUES TO POST NEW ISSUES

**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>

Adding to its extensive list of issues for review, Connolly Healthcare posted an additional 25 DRG validation issues this month for providers in Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. Following the same pattern as previously posted issues, all of the new issues currently exclude medical

necessity review, however, this could change at any time, as the CMS expansion schedule has medical necessity reviews slated for calendar year 2010. To view the updated list of approved issues for Region C, please visit Connolly's website using the link provided on the left.

We suggest that someone in your organization track the RAC

websites on a regular basis for new postings.

For a detail of the issues by state you can go to the HCPRO website for a quick reference. The link is <http://blogs.hcpro.com/revenuecycleinstitute/wp-content/uploads/2010/03/RAC-issues-by-state-3-26-10.doc>.

To access the RAC FAQs on the CMS website visit :

[http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std\\_alp.php?pv=4.497](http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_alp.php?pv=4.497)



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## RAC FAQs - EXCERPTS FROM CMS WEBSITE

**What is the difference between the RAC discussion period and the Rebuttal and Redetermination process?**

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. You always contact the RAC for this option. The timeframe is between day 1 and 40 and will begin with receipt of the demand letter for automated

review and from receipt of the review results letter for complex review. The timeframe ends on day 40. Offset will occur on day 41.

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. You will always contact the contractor/MAC for this option. The timeframe is between day 1 and 15 from the date of the demand letter. The timeframe ends on day 15.

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. You will always contact the contractor/MAC for this option. The timeframe is between day 1 and 120 upon receipt of the demand letter. It must be submitted within 120 days of the receipt of the demand letter. To prevent offset on day 41 the redetermination must be filed within 30 days. The timeframe ends on day 120.

A helpful chart on this Q&A can be found on [www.cms.hhs.gov/RAC](http://www.cms.hhs.gov/RAC). It is titled Provider Options Chart.

## MEDMANAGEMENT REPRESENTED AT THE THIRD NATIONAL MEDICARE RAC SUMMIT

Dr. Gregory Palega and Ann Purdy represented MedManagement at The Third National Medicare RAC Summit March 4 and 5 in Washington D.C. The Summit featured speakers who had experience with Recovery Audit Contractors (RACs) as well as other regulatory agencies. One of the featured

speakers was Richard Kusse-

row, who served for eleven years as the Inspector General of the Department of Health And Human Services. Mr. Kusserow provided an overview of the Program Integrity Audit Process.

At the Summit, MedManagement had an exhibit that caught the attention of many of the attendees with the catch phrase, "MedManagement Physician Advisory Services, When You Find Yourself Between a RAC and a Hard Place." People from many hospitals and other health care related entities from across the country stopped by the exhibit and got information about the services that MedManagement provides and how to contact us.

