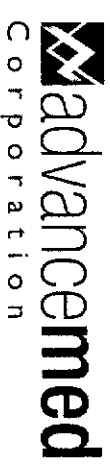


Integrity Quality Technology Innovation Collaboration



# Recovery Audit Contractor/Zone Program Integrity Contractor

RACs and ZPICs

Baya Maitland, RN

AdvancedMed

Program Safeguard Contractor

**CMS**

CONTRACT MANAGEMENT & REPORTING SERVICES

## Why RACs and who are they?

- Hired by CMS to reduce improper payments through efficient detection and collection of overpayments, the identification of underpayments and the implementation of actions that will prevent future improper payments.
- Recovery Audit Contractors
- Paid on a contingency basis
- There will be a database that will exclude claims that have been previously reviewed by a contractor or are part of a BI investigation

## Financial Impact of the RAC demonstration project

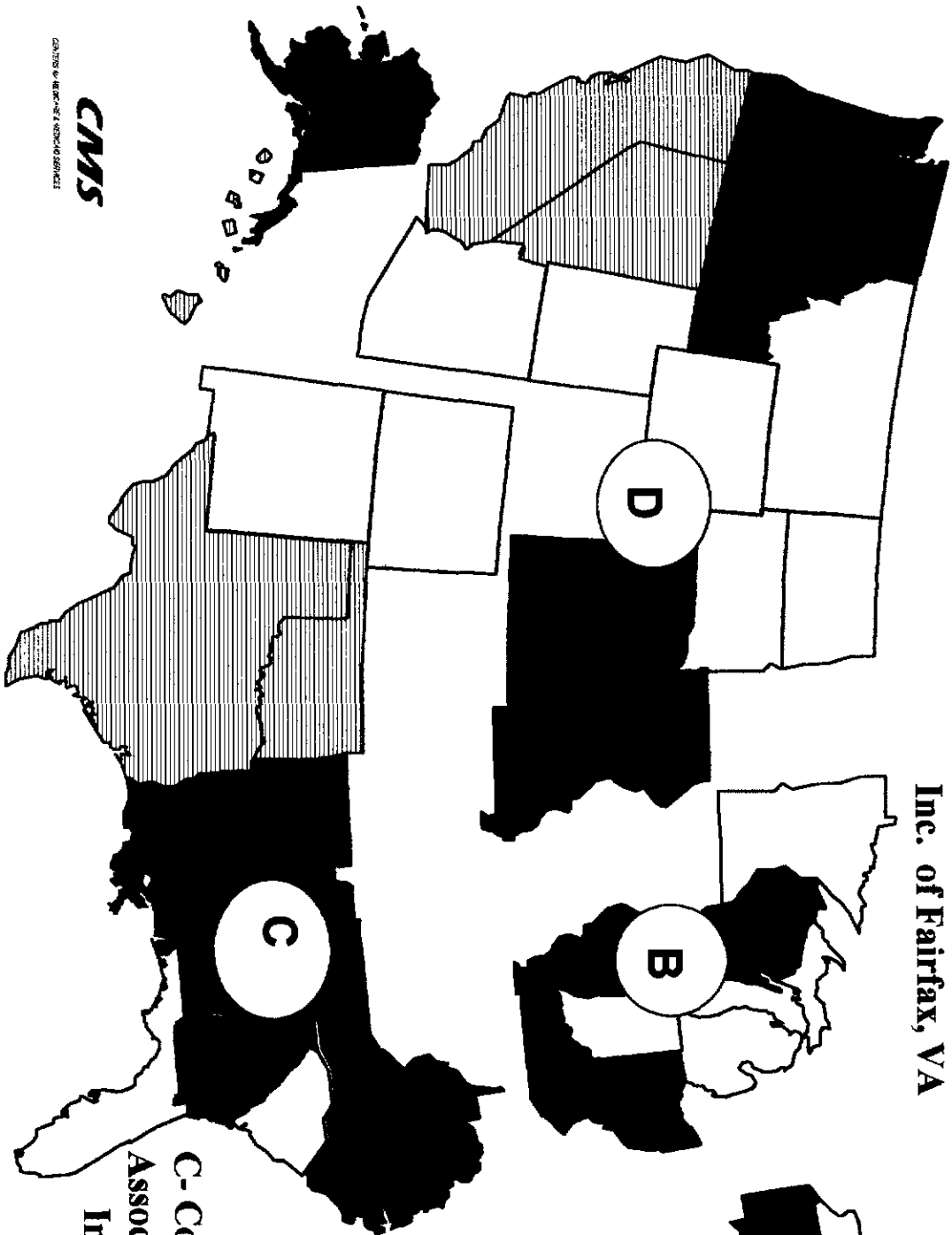
- Demonstration project from 3/05 through 3/08
- \$347,000,000.00 in overpayments
- \$332,900,000.00 in Medicare dollars overpaid
- Use public information from Office of Inspector General (OIG) and General Accounting Office (GAO)
- Became permanent through the Tax Relief Act
- Will be expanded nation wide January 1, 2010

**D- HealthDataInsights,  
Inc. of Las Vegas, NV**

**B- CGI Technologies  
and Solutions,  
Inc. of Fairfax, VA**

**A- Diversified Collection  
Services,  
Inc. of Livermore, CA**

**C- Connolly Consulting  
Associates,  
Inc. of Wilton, CT**



**March 1, 2009**

**March 1, 2009**

**August 1, 2009 or  
later**

## **Pressure from the provider community:**

- Look-back period changed from 4 years to 3 years
- Maximum look-back date is 10-1-07
- Mandatory use of certified coding experts
- Payback of the contingency fee will occur at all levels of appeal
- Must have a Medical Director
- Credentials of reviewers must be provided under the permanent program
- External validation process mandatory under the program

## Examples of Audits

- Units billed in excess of one
  - Blood transfusions
  - Appendectomy
  - Data would be the determining factor
- One day admissions for back pain
  - Would require medical record review for validation

**Based on LCDs and Coding guidelines**

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## Program Safeguard Contractor

- Focus is on Fraud and Abuse
- Part A, B, C, D, Medi/Medi all 50 States
- Respond to complaints
- Proactive data analysis
- Response to Law Enforcement requests

**CMS**

Centers for Medicare & Medicaid Services



## Do I need to worry?

- Can I be audited by both the RAC and the PSC and the AC
- Yes but
- Yes but
- Yes but

*Apply for RAC back*



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