Recover Audit Contractor (RAC) Demand Letters and Extended Repayment Plan

Scott provided an update on MLN Matters MM7436 which states that the DME MAC is now responsible for issuing the demand letters to providers from the RAC. CGS has initiated a pilot program that made these changes effective on November 21, 2011. The RAC will continue to identify improper payments and submit claim adjustments to CGS (ANSI Code N432). In addition, as of November 11, 2011 CGS will also be responsible for the approval process of the Extended Repayment Plan requests that are a result of RAC assessed overpayments.

A question was asked about the requesting of an alternate address for RAC documentation requests and how this would change when CGS took over the issuing of demand letters. The answer is that you can still request alternate addresses on the RAC website, this part of the process has not changed.

RAC Pre Payment Audits in 2012

Scott discussed the RAC prepayment review demonstration effective on January 1, 2012 for 11 states (CA, FL, IL, MI, NY, NC, TX, OH, LA, MO, PA) in which the RAC will begin conducting pre payment claims audits in addition to the post payment claim audits that are currently conducted. The RAC will be focusing mainly on Part A short inpatient hospital stays at first, but we expect these pre payment audits to cross over to DME sometime in the future.

Technical Team Q&A

Nancy Kinsella from the CGS Technical Team sat in on the meeting to answer tech and claim related questions. Nancy first gave information regarding cross over claims and how they are processed at CGS. She clarified that if CGS denies a claim, the claim is still crossed over the supplemental payer and it is up to the supplemental payer to decide if they will cover the claim. Many claim specific questions arose and specific examples will be sent to Scott for review. Nancy also answered questions regarding CO96 and CO97 denials. The system issue that has been incorrectly denying these claims will be fixed in April of 2012. In addition, specific examples will be emailed to Scott for review.

Suggestions/Comments

A Dear Physician Letter for Enteral Nutrition was suggested to help providers educate physicians, as well as a Dear Beneficiary Letter to educate beneficiaries on the importance of providing their testing logs for diabetic supplies. Scott is going to take the suggestions to Medical Review.

Meeting Adjourned

At 12:00 PM CT