

# Health Law Bulletin

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## The RACS Are Here

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Earlier this year, we sent out a bulletin anticipating the arrival of the Medicare Recovery Audit Contractors, commonly referred to as RACs. Now that the provider outreach sections sponsored by the Arkansas Medical Society and the Arkansas Hospital Association are complete, the RACs will soon begin their work.

RACs do two kinds of reviews. Both types are post-payment reviews; that is, the claim has already been submitted and paid, and the RAC comes back to determine whether the claim was submitted and paid correctly.

In an “automated review,” the RAC looks at provider claims data and may determine that there is a problem. In those cases, the provider won’t know it is under review until it receives the letter from the RAC reporting its findings. The other reviews, known as “complex reviews,” are chart reviews. The RACs will request copies of certain charts. There are limits on the number of charts that a particular provider can be required to produce. Be sure to pay attention to the deadlines for submitting the charts, because if the RAC does not receive the chart on a timely basis, it may disallow the claims.

If you receive a negative finding from a RAC, there is an informal rebuttal/review period during which you can discuss the findings with the RAC and perhaps convince them to reverse some or all of the negative audit findings. If that doesn’t work, then your only recourse is to either pay the claimed overpayment amounts or utilize the Medicare appeals process, which was the subject of our bulletin a few weeks ago.

One significant advantage of RAC reviews over other audits is that RACs can only review certain issues, and those issues must first be approved by CMS and posted on the RAC contractor’s website. For Arkansas, the RAC Contractor is Connolly Healthcare. The following issues have been approved by CMS for this RAC to review:

1. Wheelchair bundling—the RAC will look at whether DME providers are billing separately for certain options and accessories when those options are not separately payable.
2. Urological bundling—Again, certain items that are supposed to be part of a primary billed procedure code may be inappropriately billed separately.
3. Clinical Social Work Services—CSW services provided during a hospital stay are not separately reimbursable through Medicare Part B. The CSW is expected to seek reimbursement from the facility.
4. Blood transfusions—Certain blood transfusion procedure codes are supposed to be billed once per session, no matter how many units are transfused on the date of service.

5. Untimed codes—For procedure codes where the procedure is not defined by a specific timeframe, the provider is to enter a one (1) in the “units billed” column per date of service.
6. IV Hydration Therapy—The maximum number of units should be one (1) per date of service.
7. Bronchoscopy services—Certain bronchoscopy service codes are to only be billed for one unit per date of service.
8. Once in a lifetime procedures—Certain codes by definition can only be performed once in a lifetime, i.e., an appendectomy.
9. Pediatric codes exceeding age parameters—Newborn and pediatric codes should not be billed for patients who exceed the age limit defined by the code.
10. J2505 Injection—By definition, this code represents 6 mg per unit and should be billed one unit per patient per date of service.

The other advantage of the review process under RACs is that RACs must identify which states they are reviewing for a particular issue. Of the issues listed above, only wheelchair bundling and urological bundling are currently approved for review in Arkansas. However, the geographic scope is subject to change, particularly if the RACs find widespread problems in the states in which they are reviewing.

You can see from the list that hospitals are not the only providers potentially affected by RAC. DME providers and physicians are potentially affected as well. Other providers may be included in future issues approved by CMS.

In order to keep track of the issues currently review by the RAC, check the website at [www.connollyhealthcare.com/RAC/pages/approved\\_issues.aspx](http://www.connollyhealthcare.com/RAC/pages/approved_issues.aspx).

If you find yourself the subject of a RAC review and have questions regarding how to proceed with the rebuttal or appeal process, you may want to consider consulting your attorney.