

EHR

EXECUTIVE HEALTH RESOURCES

The Physician Advisor Company®



EHR's Guidance on a National Best Practice Approach to Building a RAC Rapid Response Team

As you prepare for the Recovery Audit Contractor program, it is important to plan for a labor-intensive, long-term process. Success with RAC appeals is not about appealing a single denial, or even ten denials. It is about preparing to receive 50-100 new claim denials a month and embarking on a 2-year appeals process that requires multiple skill sets. The question any RAC team must answer is, “Are we prepared to manage 2,000 claims in 8 different audit and appeal stages over 24 months?” EHR hopes to provide a blueprint that helps you establish a team approach at your facility, enabling you to answer that question affirmatively and with confidence.

EHR has been the leading provider of Medicare medical necessity compliance solutions since 1997. Today, more than 2,400 hospitals rely on EHR's expertise and Physician Advisor program. EHR Physician Advisor teams, trained in Medicare and Medicaid rules and regulations pertaining to observation and inpatient status, provide the required secondary, concurrent physician review of Medicare/Medicaid observation status cases and inpatient admissions that fail case management's medical necessity screening criteria. The EHR admission review utilizes evidence-based medicine, risk stratification, CMS guidance, and EHR's unique database of more than 3.5 million validated Physician Advisor reviews. The result is appropriate admission status certification, complete chart documentation, and the highest level of compliance with CMS rules.

EHR strongly encourages hospitals to put in place a proactive, concurrent approach to medical necessity certification. EHR Physician Advisors have successfully performed more than 10 million medical necessity reviews that have consistently stood up to RAC, MAC and QIO scrutiny. In our 16 year history, less than a fraction of one percent of EHR-reviewed cases have been denied by a RAC, MAC or QIO and virtually all of those cases were overturned on appeal.



EHR Denial Review & Appeal Experience:

EHR has broad experience in RAC, MAC, and QIO appeals. EHR has managed the entire appeals process through multiple levels of appeal including preparing briefs and presenting evidence to ALJs. EHR processes thousands of appeals every month and was the largest single RAC appeal organization during the demonstration project.

RAC Rapid Response Team:

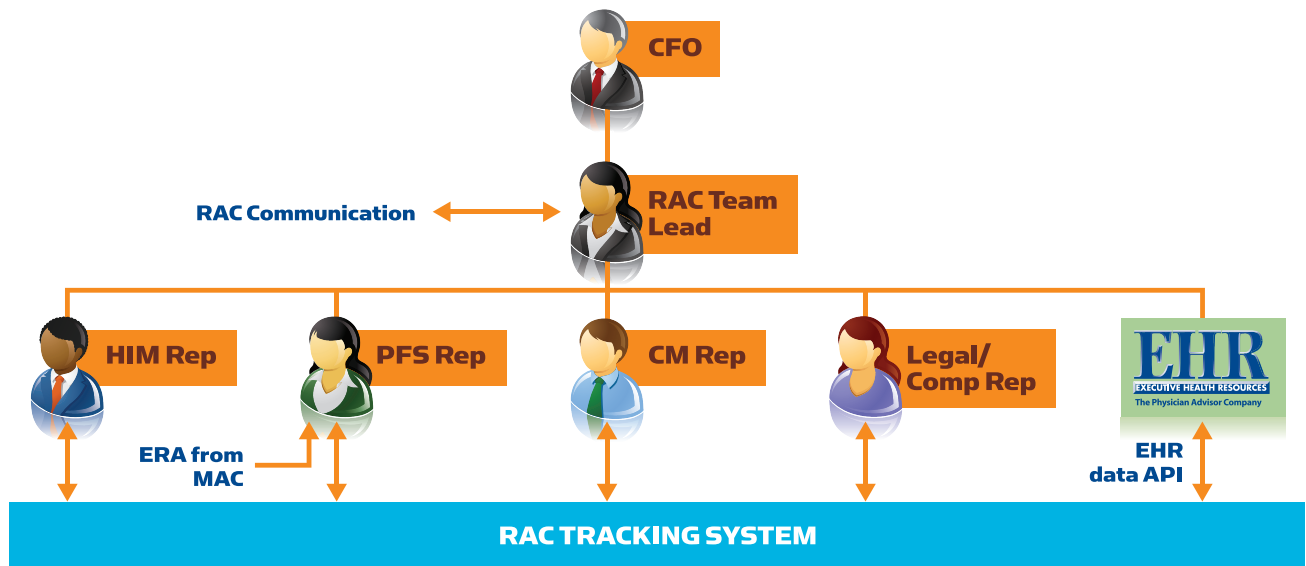
EHR receives frequent inquiries from hospital clients regarding our opinion of various RAC tracking tools and their need to develop an internal process to manage their overall RAC response. Getting "Ready for RAC" involves a much broader set of questions beyond that of selecting a RAC tracking tool (although this is an important decision). These questions cover areas such as ownership, accountability, process, and expertise. In conjunction with selecting and setting up a RAC tracking tool, EHR recommends that hospitals consider the following questions and processes in developing a RAC Rapid Response Team:

- Who in the organization "owns" RAC response? Since RAC response requires coordination across several different departments, who is ultimately accountable?
- What is expected of each department involved in the RAC response? Who are they accountable to for RAC-related activities?
- How will you leverage external expertise (such as EHR) and make it part of a cohesive process?
- How will you know whether you are achieving optimal success overall and during each step in the process?
- How will you identify trends and implement change to avoid future RAC denials?
- How will you identify a trend that could lead to broader risk or scrutiny by the OIG or DOJ? The RAC is required to refer any concerns regarding potential fraud or similar fault (false claims) to the OIG. In addition, the OIG and DOJ have access to the RAC data warehouse and will be looking for trends found during the RAC review process that may be indicative of false claims with the ability to investigate concerning claims trends well before the 3-year RAC look-back period. Will your hospital be able to spot and fix a trend prior to the OIG?

Acronym Directory

ALJ:	Administrative Law Judge
API:	Application Programming Interface
DAB:	Departmental Appeals Board
DOJ:	Department of Justice
ERA:	Electronic Remittance Advice
HIM:	Health Information Management
MAC:	Medicare Administrative Contractors
OIG:	Office of the Inspector General
PFS:	Patient Financial Services
QIC:	Qualified Independent Contractor
QIO:	Quality Improvement Organization
RAC:	Recovery Audit Contractor
ROI:	Release-of-Information

RECOMMENDED STRUCTURE: RAC Rapid Response Team



EHR recommends the formation of a RAC Rapid Response Team with members of each of the key departments involved in the RAC process. The RAC Rapid Response Team should operate as a special purpose “Hot Team,” meaning that the members of the team continue to be a part of and report to the leadership of their various departments, but that they are accountable to the leader of the RAC Rapid Response Team for everything related to RAC. By comparison, Hot Teams are similar to multi-departmental “committees” because they have representation from each relevant department. However, committees are typically set up to evaluate and recommend and do not commonly have authority and accountability to manage a process. The RAC Rapid Response Team needs to be the group **responsible and accountable** for RAC. The RAC Rapid Response Team should have the following members:

- **RAC Team Lead:** This is the primary member of the RAC Rapid Response Team and is ultimately accountable to the CFO. The RAC Team Lead will need to be a senior individual in order to manage process and to oversee a team, but will also need the ability to roll-up his/her sleeves and analyze trends or identify process flaws. The RAC Team Lead job description includes the following:

- Serve as the primary liaison with the RAC (you will have an opportunity to designate a RAC liaison when your RAC starts). This includes receiving all RAC communications related to chart requests, complex case review and automated denials, etc.
- Review all RAC chart pulls prior to HIM sending to the RAC to ensure completeness and timeliness.
- Review all RAC denials and ensure they get tracked and sent to the right area/entity for appeal in a timely manner.
- Determine whether to allow or preclude recoupment by the MAC in the event of a RAC denial.
- Ensure the appropriate payment of interest by the MAC when a RAC denial is overturned.
- Run reports out of the tracking system to identify trends by type of denial or source; overturn success rates, timeliness, etc.
- Hold monthly update meetings with the CFO and Corporate Compliance Officer regarding RAC results and trends.

- Hold regular meetings with the RAC Rapid Response Team, including EHR, to ensure that all aspects of the process are on track and to review results.

The RAC Team Lead may be the only person on the RAC Rapid Response Team to be solely dedicated to RAC. In general, EHR has seen that 0.5 FTEs are required for every 200 beds (across a system of hospitals or a stand-alone hospital). Beyond 1.0 FTE, this role would be scaled with additional analytical and administrative support, but there would not be multiple RAC Team Leads.

- **HIM Representative:** The HIM or Medical Records department and the release-of-information (ROI) process are often the most overlooked aspects in the RAC Response. In fact, EHR has seen several situations during the RAC Demonstration where the individuals involved in the ROI process did not realize the RAC was upon them until they saw large numbers of chart requests from a new requestor with whom they had not previously worked. This group needs to be kept in the loop as a key participant in the RAC Rapid Response Team because it has the major responsibility of ensuring the first step in RAC response- delivery of ALL appropriate information initially requested by the RAC.

The inability of hospitals to respond timely to RAC requests for information during the demonstration project was the root cause of eight percent of all RAC denials. Many organizations outsource the ROI process to organizations dedicated to ROI. The advantage of outsourcing this function, at least for RAC response, is that these organizations typically have advanced scanning, shipping, and tracking technology that integrates with RAC tracking. For a multi-hospital system, EHR highly recommends consolidating the ROI process for RAC to one vendor and one process in order to enhance tracking and accountabilities.

- **PFS Representative:** The Patient Financial Services Department is a key member of RAC Response because it will receive the electronic remittance from the MAC indicating that dollars have been/will be recouped due to a RAC denial. This will also be communicated by the RAC to the RAC liaison. This information must be captured appropriately in the PFS system so that it feeds the RAC tracking systems accurately. In addition, the PFS representatives need to ensure that dollars are not recouped on cases successfully overturned at Redetermination or Reconsideration levels if recoupment has been previously prevented by the hospital (remember, both the RAC and MAC process is new, so do not assume that process errors will not occur on their side as well). Finally, PFS is usually responsible for evaluating and ensuring the review for appeal (either internally

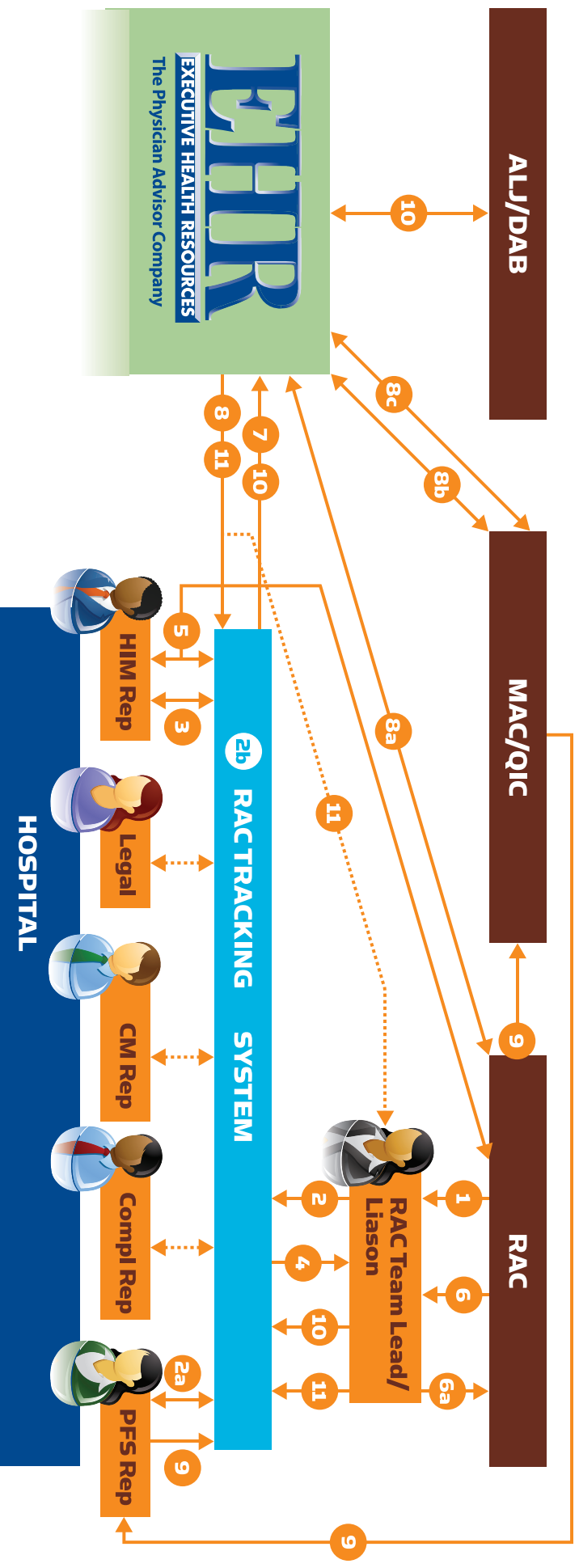
or through an external partner) of coding-based RAC denials and/or instituting appropriate internal processes and edits to ensure against future RAC coding-based denials.

- **Case Management Representative:** Case Management is a key stakeholder in the RAC process. The accuracy and documentation of inpatient admission criteria screening reviews and Physician Advisor interaction/documentation of secondary medical necessity reviews conducted while the patient is still in a hospital bed (EHR), provides a compliant admission status certification process. This is your best defense against a RAC complex case medical necessity denial and/or appeal. Technically, the RAC should never deny a case that is the result of a compliant admission status certification process. Documentation of your Case Management and Physician Advisor admission status reviews (and, hence, your legally compliant program) should be included with the chart information sent to the RAC.

If this information is not available for the case in question, Case Management needs to know so that the front-end process can be remedied to ensure that all Medicare cases receive Case Management inpatient criteria screening review followed by Physician Advisor secondary medical necessity review, as necessary, and that this process is documented in an easy to access location.

- **Legal and Compliance:** Representatives from the legal department and corporate compliance need to be involved in reviewing trends of RAC denials so that they can evaluate whether there is a larger risk which could be construed something greater than payment error. Many organizations are conducting internal audits of known RAC target areas to proactively assess whether they have RAC or OIG exposure (EHR Retrospective Compliance Assessment). EHR expects that Legal/Compliance may spearhead such reviews after identifying RAC denial trends.

RECOMMENDED PROCESS: RAC Rapid Response Process



The recommended process of how the RAC Rapid Response Team coordinates to respond to a RAC complex case review request, denial, or trend is as follows:

1. RAC submits list of charts requested for review (complex case review) to the RAC Team Lead (who is also the hospital-designated RAC Liaison).
2. The RAC Team Lead notifies the HIM representative and enters basic case information into the RAC tracking system; then, tasks HIM.
 - a. The RAC tracking system should accept a data feed of patient demographic and claims information from the PFS system.
 - b. The RAC tracking system should also identify any cases that have already been reviewed by the MAC prior to the RAC.
3. HIM receives an alert from the RAC tracking system and begins scanning charts. Scanned charts are loaded into the RAC tracking system. Then, HIM tasks the cases back to the RAC Team Lead for review via the RAC tracking system.
4. The RAC Team Lead receives a notification that charts are ready for review. He/she reviews every scanned image of the chart to ensure that it is the correct chart and that documentation is complete (including the case management inpatient screening criteria review and the EHR Physician Advisor review). The RAC Team Lead approves (or rejects back to HIM) each case for shipment to the RAC and documents this in the RAC tracking system.
5. HIM receives notification upon approval by the RAC Team Lead, prints the approved packet (do NOT make a separate photocopy of the original file, because this may not be the exact package approved by the RAC Team Lead), and ships the charts to the RAC via a trackable method. HIM tracks the shipping tracking number and receipt confirmation/date in the RAC tracking system. If you use a RAC Tracking tool tied to an ROI vendor, the scanning, printing, shipping and full ROI process is tied into the RAC Tracking system. Thus, when a "package" is approved by the RAC Team Lead, that exact image is printed, shipped, tracked, and confirmed in an automated fashion, eliminating the risk of human error or a breakdown that occurs post approval in internal printing, mailing, or tracking. In addition, the RACs will likely accept electronic versions of the requested charts in the permanent program, which will create further complexities in tracking and receipt confirmation. Why is this step important? According to the RAC Program Evaluation (June 2008), nearly 8% of denials occurred due to lack of complete or timely documentation—breakdowns that can often be traced back to the broader ROI process of an organization. Irrespective of whether you in-source or outsource ROI or buy a tracking product produced by an ROI vendor, the bottom line is that the ROI and RAC tracking processes need to be integrated to give yourself the best opportunity to succeed in RAC appeals.
6. The RAC Team Lead receives notification from the RAC that certain cases have been denied due to lack of medical necessity. He/she enters this information into the RAC tracking system and scans/loads the RAC denial communication into the system. The RAC Team Lead then tasks the (medical necessity) cases to EHR for appeal.
 - a. The RAC Team Lead decides whether or not to allow the MAC to recoup the money related to the denial. The RAC solution should support this process. Remember, if you have a compliant admission review certification process, including 1.) Application of an inpatient screening criteria on every Medicare admission, 2.) An EHR Physician review of criteria-variant cases, and 3.) Regular audits that the process is being followed (as provided by the Conditions of Participation), there should never be an "appropriate" RAC denial.
7. The RAC tracking system sends a packet of information to EHR's system API, including patient information, claim information, and the images of the chart, ASR release form and denial letter. [Note, if your RAC tracking system is unable to send to EHR's API, download the information to a CD and mail it via a trackable method, manually upload to EHR's SFTP, or send paper copies. Many RAC tracking vendors are working on an ability to exchange data and images with EHR ("EHR Integrated™") in order to enhance process efficiency and accuracy. Ask your RAC tracking vendor if they are "EHR Integrated™."]
8. EHR will perform the RAC appeals on behalf of the hospital (Phase I):
 - a. Discussion Period (when appropriate)
 - b. Redetermination to the MAC (when appropriate)
 - c. Reconsideration to the QIC (when appropriate)EHR will send a data file containing appeal outcomes and status via its outbound API to the RAC Tracking system. Note, if your RAC Tracking system is unable to receive data from EHR's API, EHR will also send reports in Excel format every month and the RAC Team Lead, or designee, can manually enter the information into the RAC Tracking system. [To avoid manual data entry, ask your RAC Tracking vendor if they are "EHR Integrated™."]
9. If the recoupment has not already occurred and if the denial is

upheld through the Redetermination levels, the RAC will communicate to the MAC to initiate recoupment. The MAC will recoup the denied dollars through the normal ERA process with the hospital. PFS will ensure that this information is posted accurately into the PFS system so that the RAC Tracking system can be updated accordingly.

10. The RAC Team Lead, in communication with EHR, will decide whether to appeal cases to the ALJ or DAB levels of appeal

EHR Integrated™

EHR has performed a thorough review of RAC tracking vendors so that we can better assist healthcare providers and our hospital client base in understanding the options available in the market. While EHR has no relationship with any specific vendor, we recommend choosing a vendor who has a track record of operational success in managing high volume processes and building and supporting technology solutions.

EHR is committed to the efficiency and accuracy of the RAC tracking process and, to this end, is publishing an inbound/outbound data exchange interface for vendors to access at no cost. Additionally, EHR has validated that an exclusive group of vendors integrate with EHR technology and reporting. Working with an EHR Integrated™ vendor enables EHR and the hospital to exchange RAC appeals data seamlessly. This avoids time-intensive, costly data entry that the hospital would otherwise incur. Furthermore, utilizing an EHR Integrated™ solution reduces the hospital's administrative processing efforts and optimizes data integrity and completeness throughout the RAC appeals status and data tracking process. To maximize the workflow and efficiency of your hospital's RAC Rapid Response team, look for the EHR Integrated™ logo when evaluating RAC software solutions for your facility.

The list of EHR Integrated RAC tracking vendors is available at www.ehrdocs.com/ehrintegrated.php.



(Phase II) and will indicate this in the RAC Tracking system [as indicated above, this can be auto-fed into EHR's system or manually communicated].

- a. EHR will appeal cases at these levels per all regulatory guidelines and timeframes.
11. As overturns occur at any appeal level, EHR will notify the hospital via electronic method or via Excel report [see EHR data exchange protocols for RAC Tracking vendors or "EHR Integrated" as noted in step # 7 and 8, above]. The RAC Team Lead ensures that all overturns that occurred after dollars were recouped are refunded and all applicable interest is paid by running status reports in the RAC tracking system.

RAC/MAC appeal management is a complex process involving many steps, departments, documents, and deadlines. Organization and preparedness are the first steps to success. EHR is happy to serve as a resource as you assemble your RAC Rapid Response team, select and implement tracking technology and define processes. EHR strives to ensure the most effective and efficient process for healthcare providers. To this end, EHR welcomes the opportunity to have an ongoing dialogue with you as you review ROI or RAC tracking vendors. EHR is glad to share our experiences with these technologies and vendors to help aid in your decision-making process and comprehensive RAC response efforts. If you have any questions regarding RAC Rapid Response or the technologies and processes discussed in this paper, please contact your Director of Strategic Accounts or email EHR at RACRapidResponse@ehrdocs.com.



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