



A newsletter to inform NMHA members of the RAC activities in New Mexico.

The RAC Program Mission...

- To detect and correct past improper payments
- To implement actions that will prevent future improper payments

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RAC Provider

To be announced late September!

NEW MEXICO'S ROLL OUT – October 1, 2008

RACS- Medicare Recovery Audit Contractors (RAC) program authorized by congress to identify improper Medicare payments – both over payments and underpayments.

- ✓ CMS reported \$992.7 million in overpayments during the 3 year RAC demonstration program.
- ✓ Coding and Documentation accounted for nearly half (43%) of RAC demonstration denials.

RAC Target Areas:

Coding Targets:

- ✓ Correct Coding for debridement (excisional or not)
 - DRG 263/MSDRG 573 and DRG 217/MSDRGs 463, 464 and 465
- ✓ DRGs designated as complicated or having comorbidity with **only one** secondary diagnosis
 - DRGs 079, 416, 468, 475, 477 and 483
- ✓ Correct coding of discharge status for PAC transfer
- ✓ Unit Coding
 - Grams vs. milligram
 - Number or procedures per day (e.g. appendectomy)

CAHs

- ✓ Short-day stays
- ✓ Swing Bed Analysis (Critical Care Analysis)

Re-admissions (re-admission rates)

Medical Necessity Targets:

- ✓ Inpatient admissions for procedures that are eligible for outpatient surgery (e.g. Laparoscopy, cholecystectomy)
- ✓ One-day stays
 - Chest Pain
 - Back Pain: DRG 243/MS-DRG 551
- ✓ Three-day stays to qualify for SNF care
- ✓ Inpatient rehabilitation (joint replacement patients)

NMHA has scheduled with CMS a RAC Provider Outreach Meeting for November 3, 2008. (Location and time to be determined.) NMHA is also sponsoring an **Open Forum** mid-November as well. (Date and time to be determined.)

AHA RAC Education Series: See attachment.

Audiences depending on Course: Medical Directors, Case Managers, Risk Management, Compliance Professionals, Hospital CEOs, Multi-state Hospital Systems, and Legal Counsel.