



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

TBD

AHA Announces RACTrac

RACTrac is a web-based online data collection application which provides a basic tool to organize your data and to report data for use in advocacy activities and to track RAC experience. Internal tracking of RAC audit activity is essential for minimizing financial risk, identifying areas for improvement and surviving the RACs. Participation in RACTrac will provide AHA and our Association the data we need is essential for a successful advocacy effort on your behalf. Due to its potential negative impact it will allow AHA and the Association to identify trends in reasons for denials across the RAC regions and at the national level and can be used to educate the field about trends in RAC audit activity. RACTrac's national roll-out will be announced at a later date.

New Guidance Improves Appeals Process for Medicare RAC Denials

What this means to Providers

- Transmittal 314 implements Section 935(a) of the MMA, effective July 1, 2008, by preventing the recoupment of funds during the first two stages of the five-stage appeals process. (Note: *Transmittal 322, dated March 5, 2008 rescinds and replaces Transmittal 314, dated February 1, 2008. The Business Requirements references were corrected from 30 days to 40 days. All other material remains the same.*) [Click here for Transmittal 314 \(Now 322\)](#)
- Under the new guidance, when a Part A overpayments if found by a MAC, FI, or RAC, funds shall not be recouped for the first 30 days, to allow the provider to submit an appeal for redetermination – *the first stage of the appeals process.*
- If the initial overpayment determination is upheld, funds will be recouped starting 60 days later, unless the provider appeals to a qualified independent contractor (QIC) – *the second stage of the appeals process.*
- The FI may then begin recoupment if the denial is upheld, even if the denial is appealed again.
- The vast majority of appeals are concluded during the first three stages of the appeals process.
- The Transmittal notes that interest on the denied payment will continue to accrue, but will not be assessed if the denial is overturned in favor of the provider.

(NOTE: To date, permanent recovery audit contractors (RACs) have not yet been assigned across the country. Federal officials said recently we should know by late May or early June.)

Healthcare Financial Management Association – NM Chapter (HFMA)
Summer Seminar – June 13, 2008 8:00 a.m. – 2:30 p.m.
(Embassy Suites) Registration info: 602-996-2220

RAC Reviews – Are You Prepared? 10:30 a.m. – 12:00 Noon

This session is designed to provide education regarding how RAC reviews will be conducted and most likely items selected for review. Participants will gain an understanding of the preparation needed and the operational issues that will need to be addressed.

