



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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## CMS Reports on RAC Overpayments/Underpayments

CMS issued a report indicating that \$365.8 million of “corrections” have been made since the inception of the permanent RAC program. CMS confirmed that the amount DOES NOT include RAC denials overturned on appeal.

The top issue identified by Connolly, Region C’s RAC Contractor was: **Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Provided During an Inpatient Stay** – Medicare does not make separate payment for DMEPOS when a beneficiary is in a covered inpatient stay. Suppliers are inappropriately receiving separate DMEPOS payment when the beneficiary is in a covered inpatient stay. (Billing for Bundled Services Separately)

## New Mexico State Specific Report

### Per AHA’s RACTrac

AHA’s initiative – RACTrac is designed to help with your internal data collection and identify areas of RAC vulnerability and support our RAC advocacy efforts on behalf of our members.

Following are a few highlights based on the most recent data provided by AHA’s RACTrac:

- 10 New Mexico Hospitals Reporting overall
- 7 Hospitals reported **\$4.1 Million in Overpayments** for Automated & Complex Audits based on **402 Claims/Medical Records** (cumulative)
- 4 Hospitals reported \$53,180 in Underpayments (cumulative)
- Primary Reason for **Automated** Denials: **Duplicate Payments** (Ranked by volume of claims and by greatest dollar)
- Top Reasons for **Complex** Denials:
  - ▶ No documentation provided or insufficient documentation in the Medical Record
  - ▶ Incorrect MS-DRG or other Coding error
  - ▶ Short Stay Medically Unnecessary
  - ▶ Other – Medically Unnecessary
- Primary Reason for Appeals Overturned in Favor of the Provider:
  - ▶ Care provided was found to be medically necessary

We encourage you to pass this e-mail on to the appropriate staff so that your hospital can participate in this important AHA initiative. RACTrac— a free, web-based survey was created in response to a lack of data and information provided by the Centers for Medicare & Medicaid Services on the impact the RAC program is having on America's hospitals.

You can learn more about AHA’s RACTrac initiative by visiting AHA’s website:

<http://www.aha.org/aha/issues/RAC/ractrac.html>. If you have questions, please feel free to contact AHA at the RACTrac Support e-mail, [ractracsupport@providercs.com](mailto:ractracsupport@providercs.com), or call (888) 722-8712.

**Disclaimer** This *RAC Facts* was prepared as a service to our members. This notice may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage our members to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.