



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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## AHA's RACTrac Initiative

***This is a reminder to request that your facility participate in AHA's RACTrac!***

We encourage you to pass this e-mail on to the appropriate staff so that your hospital can participate in this important AHA initiative 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.

#### Background:

- AHA created RACTrac—a free, web-based survey—in response to a lack of data and information provided by the Centers for Medicare & Medicaid Services (CMS) on the impact of the Recovery Audit Contractor (RAC) program on America's hospitals
  - Data are collected on a quarterly basis, capturing cumulative RAC activity in participating hospitals
  - Survey questions are designed to assess RAC activity in hospitals and the administrative burden associated with the RAC program
  - Respondents use AHA's online survey application, RACTrac ([www.ahaRACTrac.com](http://www.ahaRACTrac.com)), to submit their data regarding the impact of the RAC program
- Since RACTrac began collecting data in January, 2010, more than 1900 hospitals have participated
- RACTrac survey enhancements are made on a regular basis

#### Recent AHA Data:

- 1,960 hospitals have participated in RACTrac since data collection began in January of 2010.
- \$167 million in denied claims have been reported since the first quarter of 2010.
- 84% of participating hospitals with complex denials cited **medically unnecessary** as a reason for denial.
- The majority of medical necessity denials reported were for 1-day stays where the care was found to have been provided in the **wrong setting, not because** the care **medically unnecessary**.
- Hospital respondents reported Syncope & Collapse as the top MS-DRG denied by RACs for both medical necessity denials and incorrect coding denials.
- 57% of all participating hospitals with RAC activity reported receiving at least **one underpayment** determination.
- Hospitals reported appealing nearly one in four RAC denials, with a **71% success rate** in the **appeals process**.
- 75% of participating hospitals reported that RAC impacted their organization this quarter and 49% reported increased administrative costs.
- 55% of respondents indicated they have yet to receive any education related to avoiding payment errors from CMS or its contractors.
- 52% of hospital respondents reported problems with reconciling RAC recoupments and untimely RAC correspondence.
- Nearly one in four hospitals reported that RAC rescission of medical record requests and late demand letters are problems with the RAC process.
- The majority of hospital respondents indicated RAC responsiveness and overall communication was "fair" or "good."
- The average wait time for a RAC response varied significantly, with 18% of hospitals reporting it took 14 days or more to receive a response from their RAC.

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, [racetracsupport@providerchs.com](mailto:racetracsupport@providerchs.com), or call (888) 722-8712.

**Only a Few Days Left—Please Submit Your Hospital's RAC Activity Data to AHA TODAY!**  
**It only takes a few minutes to submit your hospital's RAC activity information to AHA's RACTrac.**

**Survey closes this Friday, July 15th.**