



RehabExpertise
EXECUTIVE BRIEF SERIES

“RAC” Up a Plan to Protect Your Rehab Business:

10 Ways to Bullet-Proof Your Claims & Compliance Environment

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Executive Summary

This is part of a series of educational papers enhancing rehabilitative services programs. This brief prepares you for audits that will impact your facility.

Successfully navigating compliance is no small feat for a long-term care facility. Not only is there a multitude of information to comprehend, there is almost the same number of auditing processes. MACs (Medicare Administrative Contractors) and RACs (Recovery Audit Contractors) are two such entities, and understanding how to best work with them is crucial for any provider to safeguard their facility. But what does this really mean and how can your rehab provider help you through the process?

MACs are contracted by the Centers for Medicare and Medicaid Services (CMS) and serve as the primary point of contact for provider enrollment, Medicare coverage and billing requirements, and processing and payment of Medicare fee-for-service claims. They conduct initial and post-payment reviews of claims, which can result in monetary outlay for the facility. For example, if a claim is denied, Medicare requires the facility to repay the reimbursement. And if a claim is appealed, the facility can face serious expense as it is both time-consuming and costly. There can also be delays in payment or denial of payment. According to Dr. Kenneth Kei Adams, "In a situation where 10 cases are denied at an average of \$200 per case, paying the Fiscal Intermediary back \$2,000 is much less expensive than hiring a legal team." ¹

The RAC program exists to comb through past Medicare claims to identify instances in which the government paid too much or inappropriately approved claims. RACs insure proper determination of payment by the MAC. While the program was initially focused on hospitals and physicians, CMS will be turning its attention to long-term care facilities and the rehab/therapy program is a targeted area, specifically with regard to untimed coding. This means that all facilities must be prepared for the RACs when they arrive, and why it is more important than ever that your rehab provider help guide you through the claims and auditing process by helping you manage the "business" of rehab, including the complexities of compliance and risk management.

The Bottom Line

In today's compliance-focused environment, long-term care facilities need rehab providers that not only deliver quality care, but also have an equal focus on medical documentation that will hold up under the intense scrutiny of claims and RAC audits.

What It Means

Facilities must understand the function of MACs and RACs to be prepared for audits. High-performing rehab providers can guide facilities through the process and even support appeals.

The Takeaway

Understanding the claims process, building transparency into best practice coding and billing processes, and achieving tightened communication channels between the nursing staff and the rehab managers are vital to protecting your business from unnecessary or unplanned monetary outlays.

The Steps to Success

The following grid summarizes some of the ways you can prepare yourself for audits and claims ordered by CMS. Making yourself familiar with these details and having a full-service rehab provider on board will help you better adhere to the new policies and in turn, better serve your clients.

The RAC program allows third-party auditors hired by the CMS to keep 9% to 12.5% of provider payments they identify as improper. The program was pilot-tested in several states from March 2005 to March 2008, recouping more than \$992 million in overpayments to providers.
Modern Healthcare Magazine
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10 Ways to Bullet-Proof Your Claims & Compliance Environment



10 Ways To Bullet-Proof Your Claims & Compliance Environment	What This Means For Your Facility and How Your Rehab Partner Should Help
1 Understand the claims process from start to finish	<ul style="list-style-type: none"> • Focus on quality documentation to support medical necessity to withstand scrutiny of claims audits.
2 Be aware of updates found in MDS 3.0 <ul style="list-style-type: none"> • Look-back periods • Concurrent therapy minutes coding 	<ul style="list-style-type: none"> • Elimination of look-back period into hospital stay for specific services, but providers will be able to code services provided prior to admission to long-term care facility through expansion of MDS 3.0. • Concurrent therapy minutes will consist of no more than 2 patients regardless of payer source, both of who must be in line-of-sight of the treating therapist or assistant.
3 Conduct internal audits prior to RAC and/or MAC arriving	<ul style="list-style-type: none"> • Perform continuous, proactive clinical audits to ensure accuracy is achieved and errors are avoided.
4 Identify previous improper payments	<ul style="list-style-type: none"> • Review documentation to ensure care is properly documented and coded correctly.
5 Ensure claims are submitted with proper payment requests	<ul style="list-style-type: none"> • Verify that all claims are accurate before they are submitted.
6 Promptly respond to RAC and/or MAC medical record requests	<ul style="list-style-type: none"> • Respond to requests within 45 days, sending information by certified mail with return receipt to avoid incurring an overpayment charge.
7 Establish contact with RAC	<ul style="list-style-type: none"> • Provide all contact information to your RAC to ensure seamless communication.
8 Identify and analyze areas of weakness ahead of time	<ul style="list-style-type: none"> • Conduct regular meetings with staff to discuss and document all details that will be submitted for billing.
9 Familiarize your facility with the appeals process	<ul style="list-style-type: none"> • Be fully versed in the process and create and use matrices to track and document background on claims.
10 Train staff on how to achieve compliance and also how to remain compliant	<ul style="list-style-type: none"> • Conduct specific training to staff regarding claims and compliance issues.



About RehabCare

RehabCare is the leading provider of rehabilitation services, including physical, occupational and speech-language therapies, to over 2,000 hospitals and long-term care facilities in 46 states. We are the premier provider of rehab throughout the full continuum of care, including long-term acute care hospitals, nursing and rehabilitation centers, inpatient acute rehab units, independent rehabilitation facilities and hospice and home care locations.

Our vast network enables you to access best practices and geographic market knowledge that will take your rehab department to the next level. We are a trusted industry expert, and a true strategic partner. And at RehabCare, we are passionate about recovery: working to improve patient outcomes and quality of life.

Have Questions?

To learn more about how RehabCare can optimize the performance of your rehab department, call us at:

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