

Are you **READY** for a **RAC AUDIT?**

Increased scrutiny of Medicare means your hospital, medical practice or facility may soon be the target of a federal audit. The Tax Relief and Health Care Act of 2006 called for the establishment of a permanent Recovery Audit Contractor (RAC) program by January 1, 2010. The purpose of the program is to identify and recover improper Medicare payments, and the RACs have a big incentive to do their jobs—they receive a contingency fee based on the amount of money returned to the Medicare Trust Funds from these audits. That's why now more than ever Texas hospitals and provider organizations need a law firm that understands the business of healthcare.

Cox Smith's healthcare lawyers stand ready to help you at every stage of the RAC process.

Fast RAC Facts

- All Medicare fee-for-service providers are subject to RAC review, including:
 - Hospitals
 - Physicians
 - Skilled nursing facilities
 - Labs
 - Ambulance companies
 - Durable medical equipment suppliers
- The RAC for Region C, which includes Texas, is Connolly Consulting Associates, Inc.
- During the three-year RAC Demonstration Period (2005-2008):
 - RACs succeeded in identifying more than \$1.03 billion in improper Medicare claims made by providers
 - Most overpayments (85%) were collected from inpatient hospital providers



On Alert

Before the Request for Records letter arrives, you and your organization must make important decisions. We can help you assemble and educate the appropriate RAC response team to identify potential red flags, establish internal tracking systems and prepare documentation for review.

On Notice

Often the two greatest challenges of responding to a RAC request are meeting the tight deadlines and deciphering the jargon. How much time do you have to respond to the first request and how much information do you have to provide? How do you monitor your response and predict your potential exposure? Our healthcare lawyers can answer your questions and provide strategic counsel that will not only help you comply with the auditor's demands in a timely manner, but do so with as little disruption and expense as possible.

On Appeal

Five levels of appeal are available to Medicare providers who disagree with the RAC's findings. Our lawyers offer a strong combination of regulatory, healthcare litigation and administrative law experience. They have a successful track record in handling compliance appeals involving a large number of claims and have managed responses to audits and investigations by the Centers for Medicare and Medicaid Services, the Texas Medicaid Program, the Office of Inspector General and the FBI.

PRACTICAL ADVICE FOR THE REAL WORLD

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RACs May Identify Improper Payments Resulting From:

- Incorrect payments
- Non-covered services (including services that are not reasonable and necessary)
- Incorrectly coded services
- Duplicate services

Urgent Questions to Answer Now

- Who will be in charge of responding to RAC Medical Record requests?
- What address will we use for RAC Medical Record requests?
- Who will be in charge of tracking our RAC Medical Record requests?
- Who will be in charge of deciding whether to appeal a RAC denial?
- How will we keep track of what we want to appeal, what we have appealed, what our overturn rate is, etc.?
- Who will be in charge of tracking our RAC denials and looking for patterns?
- How will we avoid making similar improper payment claims in the future?



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About Cox Smith Healthcare/Life Sciences Practice

Boasting a team of 16 lawyers, Cox Smith’s Healthcare/Life Sciences practice assists a full range of healthcare providers across Texas in business formation and counseling, transactions, general health law, regulatory matters, reimbursement and dispute resolution. Firm clients include hospital systems and physician groups, medical device manufacturers, biomedical research institutions and a wide variety of individuals and businesses involved in the complex web of healthcare delivery in the U.S. and overseas.

For more information, visit coxsmith.com/rac_audits.

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