SAINT LOUIS UNIVERSITY

Office of University Compliance

COMPLIANCE E-NEWS

INSIDE THIS ISSUE:

RAC Facts

- Retroactive claim review on or after 10/01/2007
- Health Data Insights (HDI) is contractor for Region D which includes Missouri
- CMS reviews and approves contractors final work
- Two types of reviews: automated and complex
- Potential audit risk areas: inpatient, SNF, global procedures, hospice, DME
- All demand letters go to SLUCare RAC Clearinghouse, Sue Schuler, PMO, Fax 977-6790

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RAC Audits Arrive at SLU

In an effort to address the continued concern that the Medicare Trust Funds may not be adequately protected against erroneous payment, the Centers for Medicare and Medicaid (CMS) have initiated a rigorous audit program. The Recovery Audit Contractor (RAC) program began as a demonstration project, recouping $980 million from three states. Effectiveness of the demonstration project in identifying and correcting improper Medicare payments and identifying high risk vulnerabilities such as insufficient documentation to support medical necessity and non-compliance with timely response to medical record submission, led to the National RAC Program implementation on January 1, 2010.

Unlike previous monitoring and review efforts, the RAC Program utilizes contract organizations to identify, analyze and audit overpayments and underpayments. Health Data Insights, Inc. (HDI) is the contractor responsible for Region D audits, which includes the State of Missouri. The contracted company (HDI) is paid based on recovered improper payment amounts.

HDI notifies SLU*Care* of overpayments and underpayments by issuing a demand letter. The letter outlines a multi step complex appeal process which must be followed to prevent repayment with interest.

Compliance in Healthcare-
Physicians Under the Microscope

A copy of the RAC Demand letterhead is attached to this electronic news format.

Anyone who receives a letter with this letterhead should immediately forward it to Sue Schuler at PMO/Fax 977-6790 or by email, schulers@slu.edu .

Demand Letter

CMS

hdi
Health Data Insights
Region D Recovery Audit Contractor (RAC)

Billing Compliance

CMS Consults Update: The Center for Medicare and Medicaid Services announced, effective January 1, 2010, all consultation codes (CPT 99241-99245/outpatient consult codes and 99251-99255/inpatient consult codes) **are no longer recognized for Medicare Part B payment.** Providers are instructed to code appropriate Evaluation & Management (E & M) codes that report where the visit occurs and the complexity of the service performed.

Q & A

Q.1. May I continue to document, code and bill consults to non-Medicare payers?
A.1. *Yes. At this time there has been no written directive prohibiting consult billing.*

Q.2. What if I do not know or am not sure if a patient has Medicare?
A.2. *The SLUCare Practice Management Organization (PMO) has implemented edits in the billing system to check payor status and alert billing staff when consult codes are entered for Medicare payors. The billing staff will then check the documentation and re-code appropriately or will request that the provider resubmit the appropriate category/level of service.*

Q.3 What codes may be utilized when a consult code may not be billed?
A.3 *In the office setting, CPT codes for either New Patient(99201-99205) or Established Patient (99211-99215) may be used. The definition of a new patient in the office setting is a patient that has not been seen by the provider or a member of his/her group within 3 years. In the hospital setting, either an Initial Hospital (99221-99223)/Observation (99218-99220) code or Subsequent Inpatient (99231-99233) code may be used. In all cases, physicians should bill the code that most appropriately describes the location and level of service provided.*

Q.4 How do I bill an initial hospital visit instead of a consult when the admitting service has already billed an initial hospital visit?
A.4 *The admitting physician or principal physician of record will append modifier "-A1", Principal Physician of Record.*

Q.5 Are there differences in documentation and coding guidelines for consult versus initial hospital visits?
A.5 *Yes, the documentation for initial hospital visits is more stringent. CPT codes 99221 (Initial Hospital Visit) and 99218 (Initial Observation Care) require a detailed history and detailed exam for the lowest level. A level one consult requires only a problem-focused history and exam.*

Q.6 How do I bill for a consult service in the Emergency Department?
A.6 *If the Emergency Department physician requests that another physician evaluate a given patient, the other physician should bill an emergency department code. If the patient is admitted to the hospital by the second physician performing the evaluation, he/she should bill an initial hospital care code and not an emergency department visit code.*

General Resources

General HIPAA Awareness Training:

Thursday, September 23, 2010
3:00 pm – 4:00 pm
LRC Room 110

SLU HIPAA Website:

www.slu.edu/hipaa/

Billers Meeting:

Tuesday, September 21, 2010
10:00 am – 11:00 am
Medical School Lecture Hall 1

Tuesday, November 23, 2010
10:00 am – 11:00 am
LRC Rooms 110-111

Center for Medicare & Medicaid Services:

www.cms.hhs.gov

wws.cms.gov/transmittals/downloads/R1875CP.pdf

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