

Mining for Audit Keys with Connolly

By Kathleen Henderson, King & Ballow Partner & Healthcare Practice Chair
khenderson@kingballow.com

On July 24, at a seminar sponsored by the Alabama Hospital Association in Birmingham, representatives from Connolly Consulting Associates, Inc. offered information from their perspective on how to best prepare for Medicare audits. I was there to listen for tips to benefit providers. Connolly is the Recovery Audit Contractor assigned to audit Medicare providers in Region C covering the states of WV, VA, NC, SC, GA, FL, AL, TN, AR, OK, LA, MS, TX, and NM.

RAC Background: Keep in mind that the goal of Connolly (and other RACs) is to obtain Medicare overpayments from providers. Since RACs are compensated on a contingency basis, there is a financial incentive for them to accomplish this goal. RACs have received over \$180 million based upon Medicare overpayments they found during the RAC demonstration program from 2003 - 2008. Representatives from the Centers for Medicare Medicaid Services (CMS) and Connolly remind that the RAC program is here to stay. Therefore, providers must be prepared to prevent improper payments and equipped to effectively challenge RACs when demands are made to recoup legitimate payments. Previously, our post dated July 20, 2009 provided background and information on the RAC program and is available at:

http://www.kingballow.com/Publications_files/Healthcare/AreYouReadyforRACs.pdf

About Connolly: Christine Castelli, Connolly's client relations and quality assurance representative for the RAC program gave her background of 20 years in the recovery process, provided background on Connolly and introduced James Lee, D.O., who is a registered pharmacist and the medical director for Connolly's RAC program. Although the audit process can be adversarial, both provided their personal backgrounds and indicated their desire to understand the provider perspective. Lee also works part-time at a rural hospital in the Philadelphia area and served a year tour in 2005 in Iraq while on active duty in the US Army. He described himself as the "conscience of the provider," stating he considers the physician view before submitting issues to CMS for audit approval. Castelli promised that Connolly will conduct its audits "with a high sensitivity to provider relations." She emphasized that communication with providers is important and encouraged use of Connolly's toll free phone number (1-866-360-2507)

and review of its website: www.connollyhealthcare.com/RAC. She also provided advice on how providers can prepare for audits and responded to questions.

Take-Aways from the Seminar: Below are some points mentioned:

1. CMS representatives at the seminar offered three tips on getting ready for the RAC audits:
 - Identify prior improper payments
 - Conduct internal assessments of current claims to ensure they are properly submitted and take corrective action for future compliance
 - Be prepared to respond to RAC additional documentation requests
2. Designate one person to track RAC audits. This point was stressed by CMS and Connolly representatives.
3. Use the tools that are CMS driven to ensure your payments are proper. “We do not have a magic book,” Castelli said, claiming Connolly uses the same tools that providers use to code payments and follows the same Medicare policies as the Medicare Administrative Contractors (MACs), Fiscal Intermediaries, Carriers and Durable Medical Equipment MACs. Castelli said Connolly uses National Coverage Determination, Local Coverage Determination, and CMS manuals to determine whether payments are proper. She also added that if a provider is using an industry guideline to determine medical necessity, Connolly will also use that guideline along with other tools that are CMS driven to determine whether the payment is proper.
4. Keep your coders current. Castelli is a huge advocate for certified coders. She said that all of Connolly’s nurses on the RAC program are also certified coders. “If they [providers’ coders] bill correctly, you will not hear from us.” Castelli strongly recommends providers invest in keeping their coder’s CEUs current.
5. Make sure Connolly has your current contact information. RAC auditors will be soliciting contact information from providers who handle Medicare payments. A contact form is available on Connolly’s website. It is important to providers that the RACs have their correct contact information. This ensures the provider receives timely requests for documents from the RAC and prevents lapse of time deadlines with respect to submissions to the RACs. Castelli suggested putting a completed copy of the contact form in the contact person’s personnel file and post it in a place

where everyone can see it. This will serve as a reminder for the need of a replacement and to resubmit the form to Connolly if the contact person leaves employment with the provider.

6. If you need more time to produce documents, ask for it. Castelli promised to work with providers to provide them additional time if necessary beyond the standard 45-day requirement. Although Connolly will not issue a notice confirming the extension, Castelli said that they will code it into their system. (Important: Connolly and the RACs cannot extend the deadlines set for appeal or challenges to RAC overpayment determinations. Providers should ensure counsel is involved in these cases as soon as possible so that deadlines will not be compromised.)
7. Submit a test file. Documents may be submitted via fax or in CD/DVD format. Connolly's website contains more information on proper submission of medical records via CD/DVD. Castelli advised that providers should conduct a test before making their first submission. The test file submitted should not be a medical record. When submitting medical records, ensure that they are legible after scanning. Remember that medical records contain private and personal information of patients. Therefore, it is recommended that they be sealed in secured packaging and sent via trackable carriers.
8. Extrapolation is not currently being used by Connolly. However, Castelli said that Connolly is entitled to use it and reserves the option to do so in the future under guidelines provided by CMS.

The most important message from the seminar is that providers should not wait until they are contacted by Connolly to prepare for an audit. They should begin doing so now. It is to a provider's advantage to establish mechanisms to detect and correct improper payments. Doing so, will prevent recoupment, save time, and ensure that providers are more effective in succeeding with respect to RAC challenges of legitimate payments.

For more information contact: Kathleen Henderson, Partner & Health Care Practice Chair at King & Ballow, khenderson@kingballow.com, phone (615) 726-5489.

For more posts of interest to health care professionals go to: www.kingballow.com/healthcare.php

These opinions and comments are intended only for the purpose of providing recent updates and general information and are not intended, and should not be used, as a recommendation for any specific situation or entity or as a substitute for legal counsel. Always consult with an attorney for specific legal counsel concerning your particular situation.