Recovery Audit Contractors (RAC) and One Institution’s Response to Audit Requests Regarding CMS TJA Patients

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INTRODUCTION:

The Center for Medicare and Medicaid Services (CMS) Recovery Audit Program identifies and corrects Medicare improper payments through the detection and collection of overpayments made on claims of health care services provided to Medicare beneficiaries and the underpayment to providers so that CMS can implement actions that will prevent improper payments. Recovery Audit Contractors (RAC) conduct both complex and automated post-payment reviews at the system and individual level. In order to obtain additional medical record and supporting documentation, the RAC can issue an Additional Documentation Request (ADR) to the audited institution or provider. The country is divided into 5 regions and assigned RAC auditors accordingly: Region 1 and 2 Northeast and MidWest, Performant Recovery, Inc.; Region 3 and 4 Southeast and West, Cotiviti GOV Services; Region 5 DME/HHE/Performant Recovery, Inc. nationwide for DMEPOS/HHA/Hospice. We wanted to give an update on one institution’s results with RAC audits for Total Knee and Hip for medical necessity and documentation requirements.

METHODS:

There were 210 (138 at AMC and 72 at a community affiliated hospital) Medicare Total Joint Arthroplasty cases audited by RAC over a one-year period from 6/21/22 to 6/23/23 in 6 separate inquiries (46, 24, 22, 46, 38, 24 cases). There were 92 (66 Academic Medical Center [AMC], 26 Affiliated Community Hospital [CH}) Total Hip Arthroplasty and 118 Total Knee Arthroplasty (72 AMC, 46 CH) cases audited. Of the 138 audited cases at the AMC, all were appealed, 7 were denied payment, of those 7, one was overturned and released for payment, 6 were denied payment. Of the 72 cases audited at the CH, all were released for payment with no findings.

RESULTS:

Of the 210 cases which were audited by RAC, 6 (2.8%) were denied payment. After the initial review of 46 cases with 6 denials, all subsequent audits were resolved successfully. After the initial audits, we used a templated note for the decision to pursue surgery which included the CMS criteria for exhausting conservative care. We also included these criteria in our preoperative history and physical. We applied these principals to our subsequent responses to the RAC audits and were successful in reversing all audits (92) after the initial 46.

DISCUSSION AND CONCLUSION:

Using a collaborative approach with our Billing and Documentation team in order to standardize documentation of surgical decision making and preoperative conservative care, we were able to minimize the financial impact of RAC audits of our TJA patients at an Academic Medical Center and an Affiliated Community Hospital.