CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 180	**Date: DECEMBER 29, 2010**
	Change Request 7160

SUBJECT: Updated Appeal Reporting Recovery Audit Contractors (RACs)

I. SUMMARY OF CHANGES: This Change Request updates information pertaining to RAC monthly appeal reporting. Changes include Chapter 4 Sections 100.7 and 100.9.2.

EFFECTIVE DATE: January 28, 2011
IMPLEMENTATION DATE: January 28, 2011

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	4/100/100.7/Appeals Resulting from RAC Initiated Denials
R	4/100/100.9.2/Tracking Appeals

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Business Requirements

Pub. 100-06	Transmittal: 180	Date: December 29, 2010	Change Request: 7160

SUBJECT: Updated Appeal Reporting Recovery Audit Contractors (RACs)

EFFECTIVE DATE: January 28, 2011
IMPLEMENTATION DATE: January 28, 2011

I. GENERAL INFORMATION:

A. Background: This Change Request updates information pertaining to RAC monthly appeal reporting. Changes include Chapter 4 Sections 100.7 and 100.9.2.

B. Policy: Section 302 of the Tax Relief Act and Health Care Act of 2006.

II. BUSINESS REQUIREMENTS TABLE:

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7160.1	The ACs and MACs shall utilize the same approach in defining an appeal request (i.e. reopening or redetermination) as used with any other appeal request.	X	X	X	X	X					
7160.2	The ACs and MACs shall include the additional tracking information supplied on the Excel monthly appeal report. "See Attachment."	X	X	X	X	X					
7160.3	The ACs and MACs shall record on the tracking report the rationale for the reversal.	X	X	X	X	X					

III. PROVIDER EDUCATION TABLE:

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	None.										

IV. SUPPORTING INFORMATION:

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	

Section B: For all other recommendations and supporting information, use this space:

V. CONTACTS:

Pre-Implementation Contact(s): Carlos Montoya (410) 786-6040 carlos.montoya@cms.hhs.gov

Post-Implementation Contact(s): Carlos Montoya (410) 786-6040 carlos.montoya@cms.hhs.gov

VI. FUNDING:

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Intermediaries (RHHIs)*:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs)*:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements

ATTACHMENT

MONTHLY RAC APPEAL REPORT (KEY)

Contractor Number _____

Contractor Name _____

Month/Year of Report _____

Claim Number	**Claim Line Number**	**Provider Number**	**A/R Number** (not required for Part A or DCN can be used)	**Receipt Date of Appeal**	**Level of Appeal**	**Appeal Decision**	**Appeal Decision Date**	**Adjustment Date**	**Dollar amt of reversal** (after adjustment)
Numeric	Numeric	Alpha/Numeric	Numeric	Date	R- Redetermination Q- QIC J- ALJ B- DAB JR- Judicial Review C- Reopening	A- Affirm most recent decision P- Partially favorable F- Full Reversal W- Withdrawal D- Dismissal	Date	Date	Currency

Reason for reversal: Provider RAC Appeals Section

A- incorrect interpretation of coding policy
B- incorrect effective date utilized for coding policy
C- Utilization of additional/diffferent coding poilcy
D- Code adjusted after 3 year limitation
E- Medical record supplied in appeal process
F- Wrong policy applied
G- Billing Error corrected claim and/or medical records submitted
H- Provider added modifer
I- Provider corrected date of service
J- Provider corrected modifer
K- Provider corrected diagnosis
L- Provider corrected procedure code
M- Provider corrected place of service
N- Provider corrected billing number
O- Other billing errors- add a narrative summary

Medicare Financial Management
Chapter 4 - Debt Collection

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100.7 – Appeals Resulting from RAC Initiated Denials

(Rev. 180, Issued: 12-29-10, Effective: 01-28-11, Implementation: 01-28-11)

The ACs and MACs shall process any appeals stemming from a RAC initiated overpayment. (e.g., RAC decisions appealed by the providers or beneficiaries). The ACs and MACs shall not automatically uphold or reverse the RACs decision. Instead, the ACs and MACs shall ensure that the appeal is processed as any other appeal request.

Upon receiving an appeal request for a RAC identified overpayment the AC and MAC shall request the medical records *and any other supporting documentation* from the RAC. The timeframes regarding requesting medical records and receiving from the RAC shall be agreed upon in the JOA. Even if the AC or MAC believes they have enough documentation to make a determination on the appeal, the AC or MAC shall still request the medical records *and any other supporting documentation* (providers may submit different documentation to the RAC than to the AC or MAC upon appeal).

The ACs and MACs shall utilize the same approach in defining an appeal request (i.e, reopening or redetermination) as used with any other appeal request. RAC initiated adjustments that are appealed shall not have separate criteria. For more information on determining whether an appeal request should be processed as a reopening or redetermination please refer to the Medicare Claims Processing Manual, Publication 100-04, Chapter 34- Reopening and Revision of Claim Determinations and Decisions, Section 10- Reopenings and Revisions of Claim Determinations and Decisions- General.

100.9.2 – Tracking Appeals

(Rev. 180, Issued: 12-29-10, Effective:01-28-11, Implementation: 01-28-11)

Appeal requests received in response to a RAC initiated overpayment shall be tracked so that appeal data will be available when drafting reports to Congress. The status of the appeal shall be tracked all throughout the appeal process. The AC and MAC shall submit a Monthly RAC Appeal Report to the appropriate CMS RAC and MAC Project Officers. The AC and MAC shall *complete* the supplied Excel *spreadsheet* when reporting monthly appeals. Once the RAC Data Warehouse is capable of tracking appeals, the AC and MAC shall update that system instead within 7 calendar days of learning of a new request and/or update.

The ACs and MACs shall include the additional tracking information supplied on the Excel monthly appeal report. In addition, the AC and MAC shall record on the tracking report the rationale for the reversal. Reasons for Reversal Codes have been created and if one of the given codes is not appropriate, a narrative explanation shall be input.