

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 168	Date: April 30, 2010
	Change Request 6936

SUBJECT: Recovery Audit Contractors (RACs)

I. SUMMARY OF CHANGES: This Change Request (CR) pertains to the RAC National Program and updates the business requirement form which impacts the A/B MACs only. All business requirements have been previously updated on prior CRs that are now issued as final. (CR 6273, CR 6384, CR 6582, CR 6089, and CR 6398) Manual changes for this CR will only occur in sections 100.2 and 100.4.

EFFECTIVE DATE: June 1, 2010

IMPLEMENTATION DATE: June 1, 2010

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-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	4/100/100.2/Communication with the RACs
R	4/100/100.4/Inputting Suppression and Exclusion Cases to the RAC Data Warehouse

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.*

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R I E R	R H H I I S S	Shared-System Maintainers				OTH ER
						F I S S	M C S	V M S	C W F		
	N432 code, when possible, to let providers know that the adjustment is a RAC audit.										
6936.16	Contractors shall upload a separate transaction file into the RAC Data Warehouse that tracks RAC identified overpayment collections or underpayment reimbursements. Only Affiliated Contractors can upload a transaction file into the RAC Data Warehouse.	X									
6936.17	Contractors shall upload a transaction file into the RAC Data Warehouse for each payment collection received through the Extended Repayment Plan.	X									
6936.18	Contractors shall upload a transaction file into the RAC Data Warehouse within 7 calendar days of applying the payment, be it by check or offset.	X									

III. PROVIDER EDUCATION TABLE:

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R I E R	R H H I I S S	Shared-System Maintainers				OTH ER
						F I S S	M C S	V M S	C W F		
	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

100.2 Communication with the RACs

(Rev. 168; Issued: 04-30-10; Effective/Implementation Date: 06-01-10)

A. RAC Staff:

When Contractors *and MACs* have questions regarding the RAC National Program or their interaction with a RAC, they should contact the CMS RAC Project Officer or applicable RAC contact.

B. RAC Points of Contact (POC):

All contractors *and MACs* shall provide the CMS RAC Project Officer with the name, phone number, address, fax number, and email address of a primary point of contact (POC) and an alternate POC. The point of contact or alternate will be responsible for all communications with the CMS Project Officer and/or RAC. The POC will be contacted to handle overpayment issues such as offsets, status of overpayment collections, and referrals to the Department of Treasury and other questions involving suppression cases, provider address information, status of claim adjustments and status of appeals. In addition, the contractor shall provide the CMS RAC Project Officer with the name, phone numbers, addresses, fax number and email address of a vulnerability POC to handle such issues as local edits, prepay claim reviews, provider education and LCD's and other corrective actions

C. Applications to Assist Communication:

An online Data Warehouse has been developed to track Non-MSP overpayments and underpayments identified by the RAC. For access to the RAC Data Warehouse, email the Central Office contact at rac@cms.hhs.gov.

D. RAC/AC Communication:

All Contractors *and MACs* shall work with the RAC to develop a communication process. This process shall be flexible and shall be reached by a mutual agreement. CMS has several items to assist in the communication efforts:

- RAC Data Warehouse
- Indicator code for RAC identified overpayments; and
- System generated flat file of all A/R transactions on a daily basis.
- Mass adjustment process for FISS
- CMS Secure Email

NOTE: Unless prior approval has been given by CMS, Personal Health Information (PHI) shall not be transferred over the internet, (this includes email). PHI may be transmitted via fax, telephone, mail pager, or CMS secure e-mail.

E. Joint Operating Agreement (JOA):

All Contractors *and MACs* shall develop a JOA with each RAC in their jurisdiction. The JOA shall be approved by all contractors, by the RAC, and by CMS prior to its effective date. The JOA shall cover all requirements in Pub.100-06, Chapter 4, 100, but may expand upon those requirements and may provide alternative time frames. The JOA shall include communication processes and time frames for adjustments, recoupments, appeals, inquires and receipt of provider names and addresses.

F. Provider Information:

All Contractors *and MACs* shall provide the RAC with a provider listing of all provider numbers, names, addresses and tax identification numbers. This listing shall be placed on a CD or DVD and shall be retrieved from the AC's internal system. If available, the RAC and Contractor may utilize the MDCN lines to transfer the file. At a minimum, the contractor shall update the list every 6 months. The method of transfer and the number of transfers per year shall be included in the JOA.

100.4 – Inputting Suppression and Exclusion Cases to the RAC Data Warehouse

(Rev. 168; Issued: 04-30-10; Effective/Implementation Date: 06-01-10)

The AC and the CERT Review Contractor will input all cases requiring suppression and/or enter claims requiring exclusion into the RAC Data Warehouse. The AC can permanently exclude an individual claim or a series of claims, or suppress a provider's entire claim submission or claim type for a period of time not to exceed one calendar year. The following cases require suppression or exclusion:

- A post payment medical review is in progress; or was already completed (exclusion)
- Claims subjected to complex prepayment medical review; (exclusion)
- A fraud/benefits integrity review is in progress, or (suppression)
- The AC has been instructed by an outside agency (law enforcement, OIG, DOJ) that an investigation is ongoing. (suppression)
- Claims originally denied and later paid by an appeal entity (exclusions)

The ACs shall not suppress or exclude claims that do not meet the above criteria. Claims that the AC is conducting education on should not be suppressed.

All contractors *and MACs* shall enter suppression and/or exclusion records immediately after the need for these actions are identified. After the initial data input, contractors shall consistently monitor the RAC Data Warehouse and update on an as needed basis.

All contractors *and MACs* must keep documentation on file that supports the information they added to the RAC Data Warehouse.

NOTE: Suppression or Exclusion of an entire provider will require CMS approval.