**CMS RAC Base Line Audit FAQs**

**What is “RAC”?**

The RAC(s) - **Recovery Audit Contract** will pursue the identification of Medicare claims which contain non-MSP improper payments for which payment was made or should have been made under part A or B of title XVIII of the Social Security Act.

**How does it affect me?**

Medicare has contracted for 2009 and beyond to audit every provider in the nation and Puerto Rico who files with Medicare. It is expected to be fully in place by 2010 in all 50 states and Puerto Rico on a permanent basis. The purpose is to identify incorrectly billed claims that are overcharging Medicare. Based on findings, if compliance to Medicare billing rules is not up to standard, penalties may be assessed including fines and in severe cases, the loss of Medicare billing privileges.

**What is the benefit of doing a Base Line Audit?**

The Base Line Audit will determine a provider's compliance with the CMS rules at the time of the audit. The Base Line Audit will prepare the physician for any internal changes to documentation or coding he/she may need to make.

**Why would I want a third party to conduct this audit, why not just wait for Medicare to do their audit?**

Medicare does not provide any guidance to the physician or provider of care outside of giving them written guidelines. Most providers won't take the time to review those. The RAC companies or contracts are paid on a contingency based fee, so they have incentive to find incorrectly paid claims. Our Base Line Audit will help the provider identify areas of deficiencies and correct those prior to the RAC audit.
**How does your audit service work?**

Once we receive payment, we will provide you with a list of the 5 office visit codes we pull files from. Your office staff can fax the information requested to our secure HIPAA compliant fax line. Our auditors will analyze the files and generate a report within approximately 1 week. We will then contact you and set a time to go over the report with you and consult with you as to any corrections that may need to be made.

**From what I've seen, the RAC program is already rolled out. What if my state is not scheduled to roll out until a later date?**

The schedule for the rollout can be found at: [http://www.cms.hhs.gov/rac/](http://www.cms.hhs.gov/rac/)

Providers should not wait for the RAC to come into the office before doing the Base Line Audit.

The purpose of the Base Line Audit is to prepare the physician for any internal changes to either documentation or coding he/she may need to make. CMS will have specific range of dates of service they will be targeting. Our role is to identify areas of non-compliance.

**What is the incentive for physicians to have this audit done now instead of later in the year or even next year?**

The purpose of the Base Line Audit is to identify non-compliance of documentation, coding and billing and to give the physician guidance on all corrective actions he/she needs to put into place.

**Can you help me understand the motivation for why a physician would want a third party to conduct this audit - why not wait for Medicare to come knocking - with the many physicians to audit, won't it take a long time to reach everyone.**

Medicare will not provide any guidance to the physician or provider of care outside of giving them written guidelines. Our experience has shown that 95% of the providers won’t take the time to review. The RAC companies or contracts are paid on a contingency based fee, so they have every incentive to find incorrectly paid claims which is directly tied to the documentation on the record.

**Why pay some one to do the audit - will Medicare charge the physician for the audits is Medicare has to perform it?**

Medicare will not provide any guidance to the physician or provider of care outside of giving them written guidelines. By performing a Base Line Audit the provider receives a a Third Party Analysis of findings and recommendations and needed corrective action.

**How often should the audit be redone if it is a clean audit - when Medicare comes to perform the audit, how recent does the base line RAC audit have to be?**

Yearly. We recommend the Base Line Audit be performed at with Dates of Services (DOS) anywhere from August 2008 to Dec 2008.
If a physician has this Base Line RAC audit certificate, will they still be subject to an additional audit from Medicare?

They will receive a report that has a Certified Coding Auditors report. This does not prevent the RAC auditor from performing their own government sponsored audit.

What are the benefits to the doctor?
Recognizing their vulnerabilities in non-compliance of the Medicare rules and being able to promptly change the way they perform either the documentation or the way they are coding their services.

RAC audits are not scheduled for my state until later in the year; do I wait to start the process?
The purpose of the Base Line Audit is to prepare the physician for any internal changes to either documentation or coding he/she may need to make. Our role is to identify areas of non-compliance.

RAC Audits will be conducted in all 50 States as well as Puerto Rico.

If a practice has a high volume of claims can we do more than 50 files?
For the Base Line Audit this should be sufficient to determine if there is a major problem. We will provide specific recommendations if this happens

Are the providers aware of this process by CMS?

CMS has already started the awareness campaign. The Provider Application and contract with each physician clearly states that it is the sole responsibility of the Physician to follow all documentation rules and regulation, coding and billing rules 100% of the time. These are not new requirements. CMS realized that they were not staffed to perform the national reviews and as a result of the pilot program success determined that the best approach to covering a national audit was to outsource the audit process to commercial audit firms.

Where can I find additional information on the RAC Audits?

A comprehensive explanation of the RAC program can be found at the following website:

http://www.cms.hhs.gov/rac/

Other sources can be found by using your search engine.