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THE
**HEALTH
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The RAC Sheet

The Health Law Partners, P.C. ("The HLP") is pleased to send you the August issue of The HLP RAC Sheet. This monthly newsletter will provide up-to-date developments regarding the Medicare Recovery Audit Contractor ("RAC") program as it expands nationwide. If you have questions regarding RACs, Medicare audits, Medicaid audits or other payor audits, please call us at (248) 996-8510 or email [Abby Pendleton, Esq.](#) or [Jessica L. Gustafson, Esq.](#) Please also visit the [RAC page](#) of the [HLP website](#).

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RAC MEDICAL NECESSITY REVIEWS ARE HERE!

After months of anticipation, the first Recovery Audit Contractor ("RAC") medical necessity issues have been approved for review. As posted last week on [CGI's website](#) (the RAC for [Region B](#), comprising the Midwestern states), 18 medical necessity issues have been approved for review. These issues are not new issues; rather, the issues were previously approved for DRG review and have been expanded to include medical necessity. So far, the issues approved for

medical necessity review are inpatient hospital issues.

These issues approved for medical necessity review include the following:

- Atherosclerosis w MCC MS-DRG 302
- Cardiac Arrhythmia & Conduction Disorders MS-DRG 308
- Chest Pain MS-DRG 313
- Chronic Obstructive Pulmonary Disease DRG 88 MS-DRG 190, 191
- Esophagitis, Gastroenteritis & Misc Digestive Disorders w/MCC DRG 182 M-SDRG 391
- GI Disorders 393
- Heart Failure & Shock w/MCC, w CC and w/o CC/MCC DRG 127 MS-DRG 291, 292, 293
- Kidney & Urinary Tract Infections w/MCC DRG 320 MS-DRG 689
- Musculoskeletal Disorders 551 and 552
- Nervous System Disorders MS-DRG 056, 057 and 069
- Nutritional and Metabolic Disorders DRG 296 MS-DRG 640
- Other Circulatory System Diagnoses w MCC MS-DRG 314, 315, 316
- Other Vascular Procedures w CC, w/o CC/MCC MS-DRG 253, 254
- Percutaneous Cardiovascular Procedures MS-DRG 249
- Red Blood Cell Disorders w MCC MS-DRG 811
- Renal Failure DRG 316 MS-DRG 682, 683, 684
- Respiratory 192
- Syncope & Collapse MS-DRG 312

Other RAC contractors are likely to soon post medical necessity issues approved for review. Therefore, Medicare providers and suppliers nationwide should expect these types of audits in the very near future.

The HLP's Monthly RAC Tip: *Now more than ever, monitor the RACs' websites*

With nationwide RAC medical necessity reviews imminent, it is essential that Medicare providers and suppliers nationwide regularly monitor the [RACs' websites](#) for important updates, so that the providers and suppliers are aware of issues that will be closely scrutinized and so that the providers' and suppliers' focus their compliance efforts accordingly. As with CGI, it is likely that approved medical necessity issues in other regions will align with already-approved DRG coding issues and, at first, focus on inpatient hospital claims.

THE HLP WELCOMES NEW MEMBER TO THE RAC AND MEDICARE APPEALS PRACTICE GROUP

The HLP is pleased to announce a new addition to our growing firm! [Stephanie P. Ottenwess, Esq.](#) has joined The HLP as a partner. Ms. Ottenwess has been a litigator since 1994, focusing primarily on medical-legal issues, successfully defending major healthcare institutions and practice groups as well as individual practitioners. In addition, she is consulted by both healthcare facilities and practice groups for her critical evaluation of risk management issues. Ms.

Ottenwess is also an appellate practitioner. At The HLP, Ms. Ottenwess practices with the Medicare and RAC Audit practice group and with the litigation group.

UPCOMING EVENTS

- On August 22-26, 2010, Abby Pendleton and Jessica Gustafson will be presenting to the Association for Medical Imaging Management ("AHRA") on the topic of RACs. Information will be available from the [AHRA website](#).
- On September 25, 2010, Abby Pendleton will be presenting on numerous topics, including Recovery Audit Contractors, to the Society of Pain Practice Management ("SPPM").