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## *The RAC Sheet*

The Health Law Partners, P.C. ("The HLP") is pleased to send you the December issue of *The HLP RAC Sheet*. This monthly newsletter will provide you with up-to-date developments regarding the Medicare Recovery Audit Contractor ("RAC") program as it expands nationwide and as RACs begin auditing activities. If you have questions regarding RACs, Medicare 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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### **CMS ANNOUNCES RAC DRG VALIDATION ADR LIMITS FOR 2010**

On December 2, 2009, the Centers for Medicare and Medicaid Services ("CMS") announced additional documentation request ("ADR") limits for Diagnosis-Related Group ("DRG") Validation audits performed by Recovery Audit Contractors ("RACs") during 2010. Such limits will be set annually and will establish a "per campus" maximum number of medical records a RAC may request per 45-day period. Specifically, the new guidance states that, through March 2010, a RAC may request a maximum of 200 records per campus per 45 day period. However, from April through September 2010, a RAC may request a maximum of 300 records per campus per 45 day period for those providers billing Medicare more than 100,000 claims. After the first six months of the fiscal year (*i.e.*, beginning in July 2010), RACs may request permission to exceed this limit on a case-by-case basis. These ADR limits are accessible from the [CMS RAC website](#).

This updated RAC validation ADR limit is particularly relevant as the RACs begin DRG auditing. According to the most recently-published RAC "[Phase-In Schedule](#)," DRG validation audits can begin at any time. Particularly relevant for providers in the southern and eastern-most states (RAC Region C), the RAC for Region C, Connolly Healthcare, Inc., has published as part of its [approved audit issues](#) certain DRG validation issues, meaning that DRG audits are imminent in this region. Other RACs are likely to soon follow suit.

**HLP's Monthly RAC Tip: Keep Apprised of Provider-Specific Guidance**

On October 23, 2009, CMS published Transmittal 112 (Change Request 6699), which revised the Medicare Benefit Policy Manual provisions regarding Inpatient Rehabilitation Facility ("IRF") services, an area of much scrutiny during the Medicare RAC demonstration program. The transmittal outlines new mandatory patient admission requirements and requirements regarding documentation and medical necessity. It is important that providers stay apprised of these provider-specific updates as the RAC program is implemented on a permanent basis. The transmittal is available [here](#).

**UPCOMING EVENTS**

- On Thursday, February 25, 2010, Abby Pendleton and Jessica Gustafson will be speaking to the Georgia Hospice and Palliative Care Organization ("GHPCO") on the topic of Recovery Audit Contractors. More information is available from the [GHPCO website](#).
- 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 Recovery Audit Contractors. Information will be available from the [AHRA website](#).
- On March 24, 2010, Jessica Gustafson will speak at the 2010 Health Care Association of Michigan ("HCAM") Leadership Conference on the topic of "How RAC and MIC Audits Will Affect LTC Facilities."

Please click [here](#) if you wish to be removed from the mailing list of *The HLP RAC Sheet*.