

**Achieving Success with
Recovery Audit Contractor (RAC)
Denials in Behavioral Health**

White Paper
Prepared by Horizon Health Behavioral Health Services



CLINICAL EXCELLENCE IN BEHAVIORAL HEALTH

Does Your Hospital or Contractor have the Expertise to Successfully Appeal Behavioral Health Denials?

Since the start of the formal Medicare Recovery Audit Contractor (RAC) program in fiscal year 2010, Centers for Medicare and Medicaid Services (CMS) has focused on medical-surgical services. *Times are changing.* Denials of behavioral health claims have occurred in virtually every RAC region. Yes, your facility should appeal denied claims; however, the process for successful turnover of behavioral health claims is different than the process for appealing acute care denials. The skills required for successful behavioral health appeal management are unique to understanding the special conditions of psychiatric regulations and required documentation.

Preparation for Required Documentation is the First Step.

The best approach to avoiding denials is, of course, prevention. To date, RAC reviews in behavioral health have focused on documentation of medical necessity. Many hospitals, in the conversion to electronic medical records (EMR), have unknowingly eliminated many required elements of the Conditions of Participation (CoPs), resulting in hundreds of thousands of dollars in denials. Have you measured your documents to ensure that all regulatory standards are met? Does your behavioral health program meet all regulatory standards to demonstrate active treatment?

Are You Ready?

Total overpayments collected by CMS for the first quarter in fiscal year 2010 were \$75.4 Million. That number has climbed with each passing year with total collections since the inception of the program reaching \$5.5 Billion!¹ Is your behavioral health program fully prepared to avoid RAC denials and recovery of reimbursement? Below are some questions to ask in order to make that determination:

- Do your EMRs contain all the components to meet the CoPs for distinct part units?
- Are your physicians using the appropriate Diagnostic and Statistical Manual of Mental Disorders (DSM-5) codes and identifying co-morbidities that fully support the inpatient stay?
- Does your assessment documentation, both pre-admission and post-admission, support the medical necessity for the admission?
- Are your staff members and your physicians adequately trained in how to document to provide proof of medical necessity?
- Does the documentation substantiate the need for inpatient care for every day of the patient's stay?
- Does your program provide active clinical treatment services appropriate to the patients being cared for on an inpatient basis?
- Does the documentation of each of these services support the need for each service, and reflect their impact on the patient?

If you have answered “no” to any of these questions, or you are not sure of the answer, you are at great risk for RAC denials of your behavioral health claims. Putting together an action plan that addresses education of staff to avoid improper Medicare payments, standardization of clinical practices, forms and policies, data gathering and report of findings, and updating procedures based on any change in regulations is no easy matter. You may view this as a daunting task for your hospital that will most likely require more personnel, a hefty investment, and extensive time to complete. A more effective way to address these challenges might be to enlist a partner who has the experience, expertise, materials, and staff in place to address your needs without too much liability on your part.

The Horizon Solution

Horizon Health Behavioral Health Services has provided high-quality psychiatric clinical services and support to inpatient psychiatric units for over 30 years. During that time, Horizon has helped many hospitals experience positive results from The Joint Commission, CMS, and other surveys and audits. Horizon's years of experience and expertise have allowed Horizon to amass a comprehensive and detailed library of clinical materials and procedures available to help other hospitals prepare for audits and reviews.

When Horizon enters a hospital specifically to assist in evaluating RAC readiness, the Horizon team works with the "C-suite" officers, quality and compliance staff, medical staff, program directors, nurse managers, and other personnel in the psychiatric unit to review clinical documentation, policy and procedures, program design and viability, and staff training. The results of our reviews include: details of the status of compliance with contemporary regulatory standards and best practice, specific areas of vulnerability, data gathering and reporting of findings, and ongoing assistance with the implementation of a plan of correction.

Reach out to an organization with an established history of partnering with hospitals to help achieve better integration of services and ensure quality data reporting. Horizon will ensure that your hospital has a plan of action and the necessary materials to ensure RAC readiness.

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References

1. http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Recovery-Audit-Program/Recent_Updates.html
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