



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS



LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS (DHH)

RECOVERY AUDIT CONTRACTOR (RAC)

FREQUENTLY ASKED QUESTIONS

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Frequently Asked Questions (FAQs) About the Louisiana Medicaid RAC Program

- 1) What is a “RAC”?..... 4
- 2) When was the Medicaid RAC program developed?..... 4
- 3) Who is the Louisiana Medicaid RAC? 4
- 4) What will Myers and Stauffer do as the Medicaid RAC? 4
- 5) How will Myers and Stauffer decide which providers to audit?..... 4
- 6) What types of audits will Myers and Stauffer conduct?..... 5
- 7) What timeframe will the Louisiana RAC audits cover?..... 5
- 8) Will Myers and Stauffer audit claims submitted to and paid by the Managed Care Organizations that participate in Louisiana Medicaid through the “Bayou Health” program?..... 5
- 9) How will Myers and Stauffer ensure that its RAC audits do not duplicate audits by other entities?..... 6
- 10) Will Myers and Stauffer review claims for underpayments as well as overpayments?..... 6
- 11) Is a Prior Authorization sufficient documentation to support the services rendered?..... 6
- 12) Will providers be asked to produce records and, if so, how will that be handled?..... 6
- 13) Are there limitations on how many medical records Myers and Stauffer can request from a provider? 6
- 14) How should providers produce requested medical and other records? 7
- 15) What type of documentation is required in the patient charts? 7
- 16) Will there be a provider portal to track the status of reviews or appeals?..... 7
- 17) How will Myers and Stauffer protect the confidentiality of sensitive patient medical information?..... 7
- 18) Will Myers and Stauffer pay for the cost of producing records?..... 7
- 19) Will Myers and Stauffer use statistical sampling and extrapolation to determine the amounts of overpayments to providers? 8
- 20) Will providers be given the opportunity to “self-audit”?..... 8
- 21) How can a provider find out more about “self-audit” procedures and other audit procedures and protocols?..... 8
- 22) Who will actually be performing the audits?..... 8
- 23) What will happen if Myers and Stauffer suspects that a provider may be committing fraud?..... 8
- 24) When will Myers and Stauffer advise a provider of its audit findings? 9



25)	Can a provider appeal Myers and Stauffer’s decision that an overpayment has occurred?	9
26)	When will a provider have to refund an overpayment to the Louisiana Medicaid program?.....	10
27)	How will a provider pay back an overpayment to the Louisiana Medicaid program?.....	10
28)	How is Myers and Stauffer compensated for its services provided under the Louisiana Medicaid RAC program?	10
29)	How can a provider ensure that Myers and Stauffer has its correct contact information for receipt of letters and notices relating to RAC audits?	10
30)	How can Louisiana Medicaid providers stay informed about the Louisiana Medicaid RAC Program?	11



1) What is a “RAC”?

“RAC” is an acronym for “Recovery Audit Contractor” which is a company or entity which conducts audits of claims for payment by health care providers to the Medicare or State Medicaid programs (see <http://www.cms.gov> for additional information about the Medicare and Medicaid programs).

Medicare and Medicaid RACs contract with the Federal or State governments to identify and recover funds that were overpaid to health care providers enrolled in the Medicare or Medicaid programs. RACs also identify claims which resulted in underpayments to providers, for the purpose of restoring payments to such providers.

2) When was the Medicaid RAC program developed?

In 2003 the Federal government established a demonstration program in six States to establish RACs for the Federal Medicare program. In 2006 the Medicare RAC program was expanded to cover the whole country. For the Medicare program the country is divided into four regions, with one Medicare RAC servicing each region.

The Patient Protection and Affordable Care Act (ACA) enacted in 2010 included a provision requiring each State to establish a RAC program for its State Medicaid program. Following a period of administrative procedures, which gave providers, beneficiaries and other interested people a chance to comment and propose changes to the law, the Federal Medicaid RAC program was finalized. Subsequently, the Louisiana Department of Health and Hospitals (DHH or Department) established the Louisiana Medicaid RAC program as required under the Federal law.

3) Who is the Louisiana Medicaid RAC?

Myers and Stauffer LC (MSLC), a national accounting, auditing and healthcare consulting firm that has worked closely with the Louisiana Department of Health and Hospitals for over a decade, was awarded the Medicaid RAC contract, effective January 1, 2013.

4) What will Myers and Stauffer do as the Medicaid RAC?

In consultation with the DHH, Myers and Stauffer will conduct audits of claims submitted to the Louisiana Medicaid program by enrolled health care providers to determine if providers were overpaid or underpaid for those claims.

5) How will Myers and Stauffer decide which providers to audit?

Myers and Stauffer will draw on its experience in conducting Medicaid audits and use various analytical tools to identify vulnerabilities in the Medicaid program, that is, areas in which overpayments or underpayments may have occurred. Billing may have been improper because the amount paid was wrong, payment was made for non-covered or duplicate services, services were incorrectly coded or because the Medicaid beneficiary was ineligible for services at the time of payment, amongst other reasons.



Myers and Stauffer will also receive referrals from other Federal and State agencies and private contractors which also conduct healthcare audits.

The selection and performance of audit subjects will be done in consultation with the Louisiana Department of Health and Hospitals and will be subject to the DHH's final approval.

6) What types of audits will Myers and Stauffer conduct?

Myers and Stauffer will only conduct reviews of claims which have already been paid. Audits may be conducted on providers in all categories of service, including hospitals, nursing homes, physicians, pharmacies, durable medical equipment, behavioral health, laboratories and other categories of service.

Myers and Stauffer will generally perform the following five types of audits:

- (1) "Automated" review of claims without a review of medical or other records;
- (2) "Complex" desk review of claims with a review of medical, financial and/or other records;
- (3) "Complex" onsite review of claims with a review of medical, financial and/or other records;
- (4) Under appropriate circumstances and with the approval of the DHH, a preliminary automated or complex review may result in a request that a provider perform a "Self-Audit" in accordance with General Guidelines for Self-Audits;
- (5) Special audits, customized as needed for reviews involving unique or complex issues.

7) What timeframe will the Louisiana RAC audits cover?

Initial reviews had a "look back" period of up to five years because the Department of Health and Hospitals received an exemption from the Centers for Medicare and Medicaid Services (CMS) to allow a "look back" period of up to five years. For reviews initiated after November 20, 2014, the "look back" period will be three years from the date of the initial payment. The "look back" period begins the date the relevant audit is initiated.

8) Will Myers and Stauffer audit claims submitted to and paid by the Managed Care Organizations that participate in Louisiana Medicaid through the "Bayou Health" program?

For reviews initiated prior to November 20, 2014, Myers and Stauffer may audit Bayou Health claims. The Department of Health and Hospitals and Myers and Stauffer developed policies and procedures for these audits which allows for "complex" RAC reviews of Bayou Health claims one year after date of payment. The one year waiting time is to allow for the Bayou Health plans to identify and correct mispayments which might be identified by the RAC. Myers and Stauffer will conduct "automated" reviews of Bayou Health claims any time after date of payment, For both "complex" and "automated" reviews, Myers and Stauffer will coordinate audit efforts with the plans prior to provider notification.

For reviews initiated after November 20, 2014, claims processed or paid through a capitated



Medicaid managed care program and claims processed or paid within ninety days of implementation of a Medicaid managed care program that relates to the claims are excluded from the RAC program's scope of review.

9) How will Myers and Stauffer ensure that its RAC audits do not duplicate audits by other entities?

Myers and Stauffer is required to coordinate its audits with other auditing entities and meets regularly with the DHH and other government and private entities to avoid the duplication of audits.

10) Will Myers and Stauffer review claims for underpayments as well as overpayments?

Yes. Federal law and the Louisiana DHH require that Myers and Stauffer identify underpayments to providers, as well as overpayments. Underpayments may have occurred due to incorrect coding of claims, claims processing errors or for other reasons.

11) Is a Prior Authorization sufficient documentation to support the services rendered?

A Prior Authorization for services is not sufficient documentation to support services rendered. Obtaining Prior Authorization for services does not guarantee that the services included on the Prior Authorization were provided, or were the same services billed to and paid by the Medicaid program. Medical necessity reviews in which a provider has obtained prior authorization for the services are excluded from the RAC's scope of review.

12) Will providers be asked to produce records and, if so, how will that be handled?

In many audits, providers will be asked to produce medical, financial, or other records. Myers and Stauffer will send a letter requesting that provider(s) produce specified records within forty-five (45) calendar days. Unless otherwise approved by the RAC, all requested records should be provided electronically. For complex audits or audits involving voluminous records, MSLC will work with providers to develop a reasonable schedule for production of electronic records. Certain situations may require that Myers and Stauffer perform limited notice on-site record requests, especially if a provider is suspected of potential fraud or abuse.

13) Are there limitations on how many medical records Myers and Stauffer can request from a provider?

The limitation on the number and frequency of medical record requests applies to each of the areas under review for a provider's servicing provider number. If a provider performs services at multiple locations, the limitation applies to each location. In the event that one or more facilities under the same Tax Identification Number (TIN) receive concurrent medical record requests,



Myers and Stauffer will work with providers to develop a reasonable schedule for production of records. Myers and Stauffer may request from a provider the lesser of: (1) one percent of the total number of claims submitted by the provider for the specific service being reviewed during the previous state fiscal year per Servicing Provider Number; or (2) not more than 200 medical records every 90 days.

14) How should providers produce requested medical and other records?

Myers and Stauffer prefers providers submit records electronically on CD/DVD, via the Myers and Stauffer secure portal, or by secure e-mail if the provider has access to such an account. Providers may request that Myers and Stauffer set up a Secure File Transfer Protocol (SFTP) account for purposes of transmitting electronic records. In the event electronic records are not available, providers must notify MSLC prior to the submission of any records.

15) What type of documentation is required in the patient charts?

Documentation included in patient charts will vary depending on the category of service. Typically, patient charts should be maintained in accordance with professional standards, industry guidelines, and Medicaid policy. Unless otherwise specified, providers should submit complete patient records documenting all services which were billed to Medicaid, including supplemental data, such as lab reports, intake forms, prior authorization forms, and other information which justifies the services billed to Medicaid. Depending upon whether records are copied or scanned from paper records or in electronic format, MSLC will require that measures be used for the transmission or production of the records which ensure compliance with all privacy laws.

16) Will there be a provider portal to track the status of reviews or appeals?

Currently there is not a provider portal to track the status of reviews or appeals; however that is a future enhancement being developed. In the interim, providers may call the toll free number (855) 817-3086 and request a status update.

17) How will Myers and Stauffer protect the confidentiality of sensitive patient medical information?

Myers and Stauffer will comply with all Federal and State confidentiality and privacy laws and regulations, including HIPAA, to ensure that Protected Health Information is not improperly disclosed. The Department of Health and Hospitals expects that providers also comply with such laws.

Depending upon whether records are copied or scanned from paper records or in electronic format, Myers and Stauffer will require that measures be used for the transmission or production of the records which ensure compliance with all privacy laws. Myers and Stauffer may request that providers use Myers and Stauffer's Secure File Transfer Protocol (SFTP) portal to transmit records. Myers and Stauffer will also utilize other security measures, such as computer firewalls and virus detection to protect sensitive information.

18) Will Myers and Stauffer pay for the cost of producing records?

Myers and Stauffer prefers that providers submit records electronically. In the event that electronic records are not available, providers must notify Myers and Stauffer prior to the



submission of any records. If MSLC requires a provider to produce records in a non-electronic format, MSLC shall make reasonable efforts to reimburse the provider the cost of medical records reproduction consistent with the provisions of 42 CFR 476.78. In no circumstance shall the reimbursement rate exceed the rate under the Louisiana statutes for public record requests. Reasonable costs as defined above incurred for non-electronic RAC record production may be applied as a credit against any overpayment or as a reduction against any underpayment identified.

19) Will Myers and Stauffer use statistical sampling and extrapolation to determine the amounts of overpayments to providers?

Subject to the approval of DHH and on a case-by-case basis, Louisiana Medicaid RAC audits may, in appropriate circumstances, utilize statistically valid sampling and extrapolation to determine amounts of overpayments. If approved, such process will be conducted after consultation with and upon the advice of a qualified statistician and using generally approved statistical software.

20) Will providers be given the opportunity to “self-audit”?

Under appropriate circumstances, at the discretion of Myers and Stauffer and with the approval of the DHH, a preliminary “automated” or “complex” review may result in a request that a provider perform a provider “Self-Audit” when mutually agreed to by the provider and MSLC, in accordance with general guidelines for provider self-audits.

21) How can a provider find out more about “self-audit” procedures and other audit procedures and protocols?

Myers and Stauffer’s Louisiana Medicaid RAC website contains the “Audit Procedures and Protocols” for Louisiana Medicaid RAC audits. Appendix A to these “Audit Procedures and Protocols” provides further information about provider self-audits.

22) Who will actually be performing the audits?

Depending upon the issues raised in a review, a RAC audit will be conducted by trained Myers and Stauffer staff with various areas of expertise, including certified coders, auditors, accountants and clinical staff. The Myers and Stauffer Medical Director will provide expertise in audits involving issues of medical necessity. Myers and Stauffer contracts with physician specialists to assist with audits requiring specialized medical expertise.

23) What will happen if Myers and Stauffer suspects that a provider may be committing fraud?

Federal law and the Louisiana Department of Health and Hospitals require that Myers and Stauffer refer to the DHH any matters in which fraud or abuse is suspected. The DHH will



decide whether to refer a potential fraud or abuse matter to another Federal or State law enforcement agency which has authority to investigate cases of suspected fraud, such as the Louisiana Medicaid Fraud Control Unit (MFCU).

24) When will Myers and Stauffer advise a provider of its audit findings?

Myers and Stauffer will send an “Initial Findings Letter” to a provider within 60 calendar days of receipt of all requested materials from a provider. This letter will explain the audit findings, and provide the total amounts of any overpayments or underpayments. This letter will also provide detailed claim information about the bases for the findings.

25) Can a provider appeal Myers and Stauffer’s decision that an overpayment has occurred?

Yes. A provider may appeal an overpayment decision if no satisfactory resolution is reached through the informal discussion period or informal hearing. See the Table below for discussion regarding each appeal step.

Appeal Type	Time Frame	Purpose
Informal Discussion	Beginning on the date of issuance of initial findings letter.	During this period the provider and contractor should communicate regarding any audit determinations.
Informal Hearing	Must be requested in writing within forty-five (45) calendar days of receipt of written notification of an adverse determination. The Informal Hearing shall occur within thirty days of receipt of provider’s request. The final written decision related to the Informal Hearing must be issued within fifteen (15) calendar days of the hearing closure.	DHH will be involved in this hearing. The provider shall have the right to present information orally or in writing, the right to present documents, and the right to have DHH and the RAC contractor address any inquiry the provider may make concerning the reason for the adverse determination. A provider may be represented by an attorney or authorized representative at the Informal Hearing if written notice of representation is submitted with the written request for the Informal Hearing.
Formal Administrative Appeal	Must be requested within thirty (30) days of issuance of final determination of the RAC contractor pursuant to an Informal Hearing. A provider may choose to forego the Informal Hearing and request an Administrative Appeal	The written request must be submitted to the Division of Administrative Law and a copy of the request filed contemporaneously with DHH Program Integrity and the RAC Contractor. The Division of



Appeal Type	Time Frame	Purpose
	within (30) days after receipt of the initial findings letter.	Administrative Law will schedule the Administrative Appeal.

26) When will a provider have to refund an overpayment to the Louisiana Medicaid program?

DHH will not recoup any overpayments or reimburse underpayments identified by the RAC until all informal and formal appeals processes have been completed.

27) How will a provider pay back an overpayment to the Louisiana Medicaid program?

Following a final determination that a provider received an overpayment, Myers and Stauffer will request the DHH to set up an Accounts Receivable. The DHH may recover the overpayment utilizing mechanisms such as payment requests, recoupment from future remittances, as well as payment plans. In addition, the Department will establish a lock box to which overpayments can be mailed. The findings letter from Myers and Stauffer will include the lock box address and other information specific to the review that should be provided with the remittance. Under certain circumstances, providers may request to refund overpayments under an agreed-upon payment plan. Such payment plan would have to be approved by the DHH. To ensure that refunds are processed correctly as RAC refunds, providers must remit the payment according to the instructions provided in the findings letter.

28) How is Myers and Stauffer compensated for its services provided under the Louisiana Medicaid RAC program?

In accordance with Federal law and its contract with the Louisiana Department of Health and Hospitals, MSLC receives hourly fees from a pool of funds generated as a percentage of recoveries actually collected as the result of RAC audits.

29) How can a provider ensure that Myers and Stauffer has its correct contact information for receipt of letters and notices relating to RAC audits?

Myers and Stauffer will maintain provider “points of contact” to ensure that RAC information is sent to the providers’ staff who are designated to handle RAC matters. For this purpose, Myers and Stauffer has available on its Louisiana Medicaid RAC website (<http://LouisianaMedicaidRAC.mslc.com>) a “point of contact” link that will allow providers to verify contact information. Providers are strongly encouraged to ensure that contact information is up to date.



30) How can Louisiana Medicaid providers stay informed about the Louisiana Medicaid RAC Program?

Providers can stay informed about the program by periodically checking the Myers and Stauffer Medicaid RAC website for news and developments relating to the program. The Myers and Stauffer Louisiana Medicaid RAC website provides access to the secure provider portal as well as additional information to assist providers with understanding the RAC program. The Louisiana Medicaid RAC toll-free number is available and staffed Monday through Friday, 8:00 a.m. – 4:30 p.m. (CST). In addition, the RAC contractor has established a Louisiana Medicaid RAC e-mail address that providers can utilize when necessary.

Toll-Free Number: (855) 817-3086

Website: [http:// LouisianaMedicaidRAC.mslc.com](http://LouisianaMedicaidRAC.mslc.com)

E-mail: LA_RAC@mslc.com

Providers can access the Louisiana Medicaid RAC website utilizing a Quick Response (QR) code reader on a smartphone, tablet or similar devices:

