Agenda

- Thanks for making RACTrac a Success!!
- RAC Update & AHA Resources
  - Upcoming appeals webinar
- RACTrac Results, May 2011
- RACTrac Data Collection Period, July 2011
- Questions and Answers
THANKS for Making the Latest RACTrac Data Collection a Success!!!!

1960 Responding Hospitals (up from 1850 last quarter)
1580 with RAC Activity, 380 without
American Hospital Association

RAC Update & AHA Resources
RAC Update

• As of June 17, 1015 approved RAC issues
  – 198 automated audits; 804 complex audits, including 511 DRG validations
  – 13 semi-automated reviews
  – 293 Medical Necessity Review issues approved

• Semi-Automated Reviews

• CMS rebilling policy

• RAC process issues
  – Please provide specific examples of problems to your CMS RAC Project Officer. Contact information can be found on AHA’s RAC Website:
    http://www.aha.org/aha/issues/RAC/contractors.html

• CMS provider education:

• Medicare Parts C & D RACs and Medicaid RACs
AHA RAC & RACTrac Resources

- AHA RAC Resources
  - www.aha.org/rac
- CMS and RAC Contact Information
- AHA RAC News Now Listserve
- Education Series & Advisories
  - Medicare Appeals Process
  - Coding & Documentation Strategies
  - Preparing for RAC Audits
  - RACTrac Advisories & Webinar

Member Advisory

Medicare Recovery Audit Contractors (RACs): Permanent Program Basics

At a Glance

The Issue:
Initially established as a demonstration project in three states in 2005, the Medicare Recovery Audit Contractor (RAC) program is charged with identifying improper Medicare fee-for-service payments—both overpayments and underpayments. RACs are paid on a contingency fee basis, receiving a percentage of the improper payments they identify and collect. At the end of 2007, two additional demonstration states joined the program, and it has been evaluated and found to be effective. In April 2008, Congress passed legislation allowing the CMS to expand the program to all states and to make it permanent in Section 305 of the Tax Relief and Health Care Act of 2008.

In October 2008, the Centers for Medicare & Medicaid Services (CMS) named four permanent RACs. However, over the next two years, CMS was required to implement an additional layer on the level of due process for beneficiaries who received incorrect payments identified by the RACs.

Member Advisory

RACTrac: Monitoring Medicare Recovery Audit Contractor Activity

April 24, 2009

The Issue:
The Centers for Medicare & Medicaid Services (CMS) recently named four permanent Medicare Recovery Audit Contractors (RACs) as part of the nationwide program rollout, and has begun conducting education sessions across the country. RACs are authorized by Congress to identify improper Medicare payments—both overpayments and underpayments—and receive a contingency fee based on a percentage of the improper payments they identify and collect.

Member Advisory

RACTrac Webinars

View the Quarterly RACTrac Webinar
Held on July 14, 2010
- Video Recording (WMV)
- RACTrac Presentation Slides (PDF)

View the RACTrac Launch Webinar
Held on April 6, 2010
- Video Recording (WMV) - 1 hour, 18 minutes
- RACTrac Presentation Slides (PDF)
- RACTrac Presentation Slides (PPTX)
Free Webinar for AHA Members:

Navigating the RAC Appeals Process
Wednesday, August 24, 2011
1:00-2:30pm EST

WHAT YOU WILL LEARN:
· AHA RAC Activity & Resources
· How do you navigate the RAC Appeals process
· RAC Appeals: experiences to date
· Current success stories
· Helpful tips and pointers

Register at:
» http://tinyurl.com/7-06AHARacTrac
RACTrac Results, May 2011
RACTrac Background Information

- AHA created RACTrac—a free, web-based survey—in response to a lack of data and information provided by the Centers for Medicare & Medicaid Services (CMS) on the impact of the Recovery Audit Contractor (RAC) program on America's hospitals
  - Data are collected on a quarterly basis, capturing cumulative RAC activity in participating hospitals
  - Survey questions are designed to assess RAC activity in hospitals and the administrative burden associated the RAC program
  - Respondents use AHA's online survey application, RACTrac (accessed at www.aharactrac.com), to submit their data regarding the impact of the RAC program
- Since RACTrac began collecting data in January, 2010, more than 1900 hospitals have participated
- RACTrac survey enhancements are made on a regular basis
Executive Summary

- 1960 hospitals have participated in RACTrac since data collection began in January of 2010.
- $167 million in denied claims have been reported since the first quarter of 2010.
- 84% of participating hospitals with complex denials cited medically unnecessary as a reason for denial.
- The majority of medical necessity denials reported were for 1-day stays where the care was found to have been provided in the wrong setting, not because the care medically unnecessary.
- Hospital respondents reported Syncope & Collapse as the top MS-DRG denied by RACs for both medical necessity denials and incorrect coding denials.
- 57% of all participating hospitals with RAC activity reported receiving at least one underpayment determination.
- Hospitals reported appealing nearly one in four RAC denials, with a 71% success rate in the appeals process.
Executive Summary (cont.)

- 75% of participating hospitals reported that RAC impacted their organization this quarter and 49% reported increased administrative costs.
- 55% of respondents indicated they have yet to receive any education related to avoiding payment errors from CMS or its contractors.
- 52% of hospital respondents reported problems with reconciling RAC recoupments and untimely RAC correspondence.
- Nearly one in four hospitals reported that RAC rescission of medical record requests and late demand letters are problems with the RAC process.
- The majority of hospital respondents indicated RAC responsiveness and overall communication was “fair” or “good.”
- The average wait time for a RAC response varied significantly, with 18% of hospitals reporting it took 14 days or more to receive a response from their RAC.
RACTrac Participation
There are four RAC regions nationwide. Participation in RACTrac is generally consistent with hospital representation in each of the RAC regions.

Distribution of Hospitals by RAC Region and Hospitals Participating in RACTrac by RAC Region, through 1st Quarter, 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Percent of Hospitals Nationwide</th>
<th>Percent of Participating Hospitals by Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Region B</td>
<td>19%</td>
<td>25%</td>
</tr>
<tr>
<td>Region C</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Region D</td>
<td>26%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Centers for Medicare and Medicaid Services
The majority of hospitals reporting RAC activity were general medical and surgical hospitals.

Number of Hospitals Reporting RAC Activity by Hospital Type, through 1st Quarter 2011

*Other includes: Cancer, Chronic Disease, Alcohol and Other Chemical Dep., Heart, Obstetrics & Gynecology, Orthopedic and Surgical hospitals.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Different types and sizes of hospitals reported that they were subject to RAC review.

Percent Reporting RAC Activity vs. No RAC Activity by Type of Participating Hospital, through 1st Quarter 2011

- Less than 200 beds: 76% Reporting RAC Activity, 24% Reporting No RAC Activity
- 200 - 399 beds: 90% Reporting RAC Activity, 10% Reporting No RAC Activity
- 400+ beds: 92% Reporting RAC Activity, 8% Reporting No RAC Activity
- Urban: 84% Reporting RAC Activity, 16% Reporting No RAC Activity
- Rural: 76% Reporting RAC Activity, 24% Reporting No RAC Activity
- Teaching: 90% Reporting RAC Activity, 10% Reporting No RAC Activity
- Non-Teaching: 80% Reporting RAC Activity, 20% Reporting No RAC Activity

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
RAC Region C has the highest number of hospitals reporting RAC activity.

Number of Participating Hospitals Reporting RAC Activity by Region, through 1st Quarter 2011

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
RAC Reviews
Participants continue to report significant increases in RAC denials and medical record requests.

Reported Automated Denials, Complex Denials and Medical Records Requests by Participating Hospitals, through 1st Quarter 2011

- Automated Denials:
  - All activity through Quarter 3, 2010: 10,880
  - All activity through Quarter 4, 2010: 21,406
  - All activity through Quarter 1, 2011: 23,432

- Complex Denials:
  - All activity through Quarter 3, 2010: 7,001
  - All activity through Quarter 4, 2010: 15,714
  - All activity through Quarter 1, 2011: 29,739

- Medical Record Requests:
  - All activity through Quarter 3, 2010: 69,374
  - All activity through Quarter 4, 2010: 125,538
  - All activity through Quarter 1, 2011: 173,496

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region B hospitals are experiencing the greatest volume of medical record requests overall, and per hospital.

Number of Medical Records Requested from Participating Hospitals With Complex Medical Record RAC Activity, through 1\textsuperscript{st} Quarter 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Number of Medical Record Requests per Reporting Hospital, through Q1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>224</td>
</tr>
<tr>
<td>Region B</td>
<td>251</td>
</tr>
<tr>
<td>Region C</td>
<td>131</td>
</tr>
<tr>
<td>Region D</td>
<td>182</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Among participating hospitals, $2.2 billion in Medicare payments were targeted for medical record requests through the 1st quarter of 2011.

Medicare Payments Associated with Medical Records Requested from Participating Hospitals, through 1st Quarter 2011, in Millions

<table>
<thead>
<tr>
<th>Region</th>
<th>All activity through Quarter 4, 2010</th>
<th>All activity through Quarter 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>$301</td>
<td>$405</td>
</tr>
<tr>
<td>Region B</td>
<td>$621</td>
<td>$863</td>
</tr>
<tr>
<td>Region C</td>
<td>$572</td>
<td>$651</td>
</tr>
<tr>
<td>Region D</td>
<td>$223</td>
<td>$340</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
The average value of a medical record requested in a complex review varied slightly across RAC Regions.

Average Value of a Medical Record Requested in a Complex Review Among Hospitals Reporting RAC Activity, through 1st Quarter 2011

- **Region A:** $12,148
- **Region B:** $13,735
- **Region C:** $14,706
- **Region D:** $10,361

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Nearly 3 out of every 4 medical records reviewed by RACs did not have an improper payment.

Total Number and Percent of Completed Complex Reviews with and without Overpayment Determinations for Participating Hospitals, by Region, through 1st Quarter 2011

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
$167 million in denials have been reported, nearly double the $86 million reported last quarter.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
95% of denied dollars were complex denials totaling over $158 million dollars.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
RAC denials are spread among all four RAC regions.

Percent of Automated and Complex Denials by RAC Region for Participating Hospitals, through 1st Quarter 2011

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
The average dollar value of an automated denial was $401 and the average dollar value of a complex denial was $5,469.

Average Dollar Value of Automated and Complex Denials Among Hospitals Reporting RAC Denials, through 1st Quarter 2011

<table>
<thead>
<tr>
<th>RAC Region</th>
<th>Automated Denial</th>
<th>Complex Denial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>$377</td>
<td>$4,884</td>
</tr>
<tr>
<td>Region B</td>
<td>$327</td>
<td>$4,829</td>
</tr>
<tr>
<td>Region C</td>
<td>$328</td>
<td>$5,416</td>
</tr>
<tr>
<td>Region D</td>
<td>$742</td>
<td>$6,617</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Outpatient services had the largest financial impact through automated activity while inpatient services had the largest financial impact through complex denials.

Percent of Participating Hospitals by Top Service Area for Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011

Survey participants were asked to rank denials by service, according to dollars impacted.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Automated RAC Denials
Automated denials for outpatient billing errors had the largest financial impact on reporting hospitals.

Percent of Participating Hospitals by Top Reason for Automated Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011

Survey participants were asked to rank denials by reason, according to dollars impacted.

- **55%** Outpatient Billing Error
- **20%** Inpatient Coding Error (MSDRG)
- **12%** Duplicate Payment
- **4%** Outpatient Coding Error
- **4%** Incorrect Discharge Status
- **5%** All Other

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region B has experienced 42% of all reported automated denials.

Percent and Number of Reported Automated Denials for Participating Hospitals, by Region, through 1st Quarter 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Number of Automated Denials by RAC Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>2,246</td>
</tr>
<tr>
<td>Region B</td>
<td>9,883</td>
</tr>
<tr>
<td>Region C</td>
<td>7,521</td>
</tr>
<tr>
<td>Region D</td>
<td>3,782</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region A: Consistent with the national trend, 42% of Region A hospitals ranked outpatient billing errors as the top reason for automated denials.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outpatient Billing Error</td>
<td>42%</td>
</tr>
<tr>
<td>Inpatient Coding Error (MSDRG)</td>
<td>18%</td>
</tr>
<tr>
<td>Outpatient Coding Error</td>
<td>24%</td>
</tr>
<tr>
<td>Incorrect Discharge Status</td>
<td>8%</td>
</tr>
<tr>
<td>All Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

Survey participants were asked to rank denials by reason, according to dollars impacted.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region B: With more than half of all automated denial activity, top denial reasons were consistent with national trend.

Percent of Participating Hospitals by Top Reason for Automated Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region B

Survey participants were asked to rank denials by reason, according to dollars impacted.

- 60% Outpatient Billing Error
- 24% Inpatient Coding Error (MSDRG)
- 8% Duplicate Payment
- 3% Outpatient Coding Error
- 4% Incorrect Discharge Status
- 1% All Other

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region C: 68% of hospitals reported outpatient billing error as the top reason for automated denials.

Percent of Participating Hospitals by Top Reason for Automated Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region C

Survey participants were asked to rank denials by reason, according to dollars impacted.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region D: A significant portion of hospitals cited discharge status as the top reason for automated denial only in Region D.

Percent of Participating Hospitals by Top Reason for Automated Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region D

Survey participants were asked to rank denials by reason, according to dollars impacted.

- Outpatient Billing Error: 32%
- Inpatient Coding Error (MS-DRG): 14%
- Duplicate Payment: 5%
- Outpatient Coding Error: 15%
- Incorrect Discharge Status: 2%
- All Other: 2%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Complex RAC Denials
Medically unnecessary is now the top reason for complex denials.

Percent of Participating Medical/Surgical Acute Hospitals with RAC Activity Experiencing Complex Denials by Reason, 4\textsuperscript{th} Quarter 2010 and 1\textsuperscript{st} Quarter 2011

Survey participants were asked to select all reasons for denial.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Quarter 4, 2010</th>
<th>Quarter 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medically Unnecessary</td>
<td>57%</td>
<td>84%</td>
</tr>
<tr>
<td>Inpatient Coding</td>
<td>81%</td>
<td>71%</td>
</tr>
<tr>
<td>Discharge Status</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>No Documentation</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Outpatient Coding</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Medically necessity denials are now the denial reason with the largest financial impact.

Percent of Participating Hospitals by Top Reason for Complex Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011

Survey participants were asked to rank denials by reason, according to dollars impacted.

- 53% Medically Unnecessary
- 40% Incorrect MS-DRG or Other Coding Error
- 6% No or Insufficient Documentation in the Medical Record
- 1% All Other

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
The majority of medical necessity denials were for 1-day stays and were because the care was provided in the wrong setting, not because the care medically unnecessary.

**Reason for Medical Necessity Denials by Length of Stay Among Hospitals Reporting Medical Necessity Denials, 1st Quarter 2011**

- **1 Day Stay**
  - 78%, $37.9m
  - 22%, $10.7m

- **> 1 Day Stay**
  - 37%, $3.4m
  - 63% $5.9m

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
All regions are now reporting a significant number of complex denials; Region C hospitals reported the most with 31% of all complex denials.

Percent and Number of Reported RAC Complex Denials for Participating Hospitals, by Region, through 1st Quarter 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Number of Claims with Overpayment Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>4,521</td>
</tr>
<tr>
<td>Region B</td>
<td>8,240</td>
</tr>
<tr>
<td>Region C</td>
<td>9,257</td>
</tr>
<tr>
<td>Region D</td>
<td>7,716</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region A: Medically unnecessary was identified by 51% of hospitals as the top reason for complex denials.

Percent of Participating Hospitals by Top Reason for Complex Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region A

Survey participants were asked to rank denials by reason, according to dollars impacted.

- 51% Medically Unnecessary
- 44% Incorrect MS-DRG or Other Coding Error
- 3% No or Insufficient Documentation in the Medical Record
- 2% All Other

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region B: Incorrect MS-DRG is still the top reason for complex denials.

Percent of Participating Hospitals by Top Reason for Complex Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region B

Survey participants were asked to rank denials by reason, according to dollars impacted.

- Incorrect MS-DRG or Other Coding Error: 57%
- No or Insufficient Documentation in the Medical Record: 6%
- Medically Unnecessary: 1%
- All Other: 36%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region C: Medically unnecessary was identified by 59% of hospitals as the top reason for complex denials.

Percent of Participating Hospitals by Top Reason for Complex Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region C

Survey participants were asked to rank denials by reason, according to dollars impacted.

- Medically unnecessary: 59%
- Incorrect MS-DRG or Other Coding Error: 34%
- No or Insufficient Documentation in the Medical Record: 5%
- All Other: 2%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region D: Medically unnecessary was identified by 68% of hospitals as the top reason for complex denials.

Percent of Participating Hospitals by Top Reason for Complex Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 1st Quarter 2011, Region D

Survey participants were asked to rank denials by reason, according to dollars impacted.

- Incorrect MS-DRG or Other Coding Error: 19%
- Incorrect APC or Other Outpatient Coding Error: 1%
- No or Insufficient Documentation in the Medical Record: 1%
- Medically Unnecessary: 68%
- All Other: 11%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Hospitals reported Syncope & Collapse as the top MS-DRG denied by RACs. Other top denied MS-DRG codes varied significantly among reporting hospitals.

Percent of Overpayment Determinations by Top MS-DRG for Medically Unnecessary and all other Complex Denials for Medical/Surgical Acute Participating Hospitals, 1\textsuperscript{st} Quarter 2011

Survey participants were asked to identify top MS-DRGs, according to dollars impacted.

### Medically Necessity Denials

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Description</th>
<th>% of Total Denials</th>
</tr>
</thead>
<tbody>
<tr>
<td>312</td>
<td>SYNCOPE &amp; COLLAPSE</td>
<td>16%</td>
</tr>
<tr>
<td>313</td>
<td>CHEST PAIN</td>
<td>8%</td>
</tr>
<tr>
<td>69</td>
<td>TRANSIENT ISCHEMIA</td>
<td>6%</td>
</tr>
<tr>
<td>249</td>
<td>PERC CARDIOVASC PROC W NON-DRUG-ELUTING STENT W/O MCC</td>
<td>5%</td>
</tr>
<tr>
<td>192</td>
<td>CHRONIC OBSTRUCTIVE PULMONARY DISEASE W/O CC/MCC</td>
<td>5%</td>
</tr>
</tbody>
</table>

### All Other Complex Denials

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Description</th>
<th>% of Total Denials</th>
</tr>
</thead>
<tbody>
<tr>
<td>312</td>
<td>SYNCOPE &amp; COLLAPSE</td>
<td>6%</td>
</tr>
<tr>
<td>166</td>
<td>OTHER RESP SYSTEM O.R. PROCEDURES W MCC</td>
<td>5%</td>
</tr>
<tr>
<td>981</td>
<td>EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS W MCC</td>
<td>4%</td>
</tr>
<tr>
<td>189</td>
<td>PULMONARY EDEMA &amp; RESPIRATORY FAILURE</td>
<td>4%</td>
</tr>
<tr>
<td>813</td>
<td>COAGULATION DISORDERS</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTracer Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Underpayments
In every region, more than half of all hospitals with RAC activity reported receiving at least one underpayment determination.

**Percent of Hospitals Reporting Underpayment Determinations, By Region, through 1st Quarter 2011**

- **Region A**: 61%
- **Region B**: 60%
- **Region C**: 51%
- **Region D**: 58%
- **Nationwide**: 57%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Hospitals reported RAC identified underpayments totaling $17.4 million dollars.

Total Dollar Value of Underpayment Determinations for Participating Hospitals, By Region, through 1st Quarter 2011, Millions

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of RAC Underpayment Determinations</th>
<th>Total Underpayment Determinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONWIDE</td>
<td>4,112</td>
<td>$17.4</td>
</tr>
<tr>
<td>Region A</td>
<td>758</td>
<td>$3.3</td>
</tr>
<tr>
<td>Region B</td>
<td>952</td>
<td>$4.6</td>
</tr>
<tr>
<td>Region C</td>
<td>607</td>
<td>$3.7</td>
</tr>
<tr>
<td>Region D</td>
<td>1,795</td>
<td>$5.8</td>
</tr>
</tbody>
</table>

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
75% of hospitals with underpayment determinations cited incorrect MS-DRG as a reason for the underpayment.

Percent of Participating Hospitals with RAC Activity Experiencing Underpayments by Reason, 1st Quarter 2011

Survey participants were asked to select all reasons for underpayment.

- Incorrect MS-DRG: 75%
- Outpatient Coding Error: 12%
- Billing Error: 8%
- Inpatient Discharge Disposition: 7%
- Other: 11%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
More than one-third of participating hospitals report having a denial reversed during the discussion period.

Percent of Participating Hospitals With Denials Reversed During the Discussion Period, National and By Region, 1st Quarter 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>34%</td>
<td>54%</td>
<td>12%</td>
</tr>
<tr>
<td>Region B</td>
<td>39%</td>
<td>54%</td>
<td>7%</td>
</tr>
<tr>
<td>Region C</td>
<td>43%</td>
<td>52%</td>
<td>5%</td>
</tr>
<tr>
<td>Region D</td>
<td>32%</td>
<td>66%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Overturned Denials by RAC Region

All RACs are required to allow a discussion period in which a hospital may share additional information and discuss the denial with the RAC. During the discussion period a hospital may gain more information from the RAC to better understand the cause for the denial and the RAC may receive additional information from the hospital that could potentially result in the RAC reversing its denial. The discussion period happens before the appeals process and is not a formal part of the Medicare appeals process.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
The average appeal rate varied from 14% to 27% by RAC region, the national average was 21%.

Total Number and Percent of Automated and Complex Denials Appealed by Hospitals with RAC Activity, by Region, through 1st Quarter 2011

<table>
<thead>
<tr>
<th>Total Number of Denials Available* for Appeal</th>
<th>Percent of Denials Appealed</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONWIDE</td>
<td>53,166</td>
</tr>
<tr>
<td>Region A</td>
<td>6,767</td>
</tr>
<tr>
<td>Region B</td>
<td>18,123</td>
</tr>
<tr>
<td>Region C</td>
<td>16,778</td>
</tr>
<tr>
<td>Region D</td>
<td>11,498</td>
</tr>
</tbody>
</table>

*Available for appeal means that the hospital received a demand letter for this claim, either as a result of automated or complex review.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals, and inpatient psychiatric hospitals.
68% of hospitals reported appealing at least one RAC denial. Hospitals reported appealing denials totaling $58.4 million.

Total Dollar Value, Percent and Average Number of Appealed Claims for Hospitals with Automated or Complex RAC Denials, through 1st Quarter 2011, Millions

<table>
<thead>
<tr>
<th>Percent of Hospitals with Any Appealed Denials</th>
<th>Average Number of Appealed Denials per Hospital</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONWIDE</td>
<td>68%</td>
</tr>
<tr>
<td>Region A</td>
<td>65%</td>
</tr>
<tr>
<td>Region B</td>
<td>80%</td>
</tr>
<tr>
<td>Region C</td>
<td>65%</td>
</tr>
<tr>
<td>Region D</td>
<td>59%</td>
</tr>
</tbody>
</table>
Of the claims that have completed the appeals process, 71% were overturned in favor of the provider. 60% of claims are still in the appeals process.

Summary of Appeal Rate and Determinations in Favor of the Provider, for Hospitals with RAC Activity, through 1st Quarter 2011

<table>
<thead>
<tr>
<th></th>
<th>Appealed</th>
<th>Percent of Denials Appealed</th>
<th>Number of Claims Pending Appeals Determination</th>
<th>Number of Claims Withdrawn from Appeals Process</th>
<th>Number of Denials Overturned in the Appeals Process</th>
<th>Percent of Appealed Denials Overturned</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONWIDE</td>
<td>11,011</td>
<td>21%</td>
<td>6,569</td>
<td>784</td>
<td>3,156</td>
<td>71%</td>
</tr>
<tr>
<td>Region A</td>
<td>1,875</td>
<td>28%</td>
<td>1,051</td>
<td>275</td>
<td>423</td>
<td>51%</td>
</tr>
<tr>
<td>Region B</td>
<td>4,491</td>
<td>25%</td>
<td>2,290</td>
<td>128</td>
<td>1,855</td>
<td>84%</td>
</tr>
<tr>
<td>Region C</td>
<td>2,387</td>
<td>14%</td>
<td>1,508</td>
<td>251</td>
<td>505</td>
<td>57%</td>
</tr>
<tr>
<td>Region D</td>
<td>2,258</td>
<td>20%</td>
<td>1,720</td>
<td>130</td>
<td>373</td>
<td>69%</td>
</tr>
</tbody>
</table>

Due to survey submission marginal error, total appeals may be slightly greater than the sum of pending/withdrawn/overturned appeals.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Region B has the highest overturn rate upon appeal at 84%.

Percent of Completed Appeals with Denials Overturned for Participating Hospitals, by Region, through 1st Quarter 2011

Region A: 51%
Region B: 84%
Region C: 57%
Region D: 69%
NATIONWIDE: 71%

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Hospitals reported a total of $8.6 million in overturned denials, with $3.9 million in Region B alone.

Value of Denials Overturned in the Appeals Process, by Region, through 1st Quarter 2011, Millions

Region B appeal activity represents several high volume hospitals whose survey entries have been verified.

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
Administrative Burden
75% of participating hospitals reported that RAC impacted their organization this quarter and 49% reported increased administrative costs.

Impact of RAC on Participating Hospitals* by Type of Impact, 1st Quarter 2011

* Includes participating hospitals with and without RAC activity

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
The administrative burden of RAC is spread across all types of hospital staff. RAC coordinators spent the most time responding to RAC activity.

Average Hours of Staff Time Spent Per Participating Hospital* on RAC by Staff Type, 1st Quarter 2011

- RAC Coordinator: 82 hours
- Nurse: 63 hours
- Medical Records Staff: 50 hours
- Administrative/Clerical Staff: 40 hours
- Coders/HIM: 39 hours
- Patient Financial Services-Staff: 36 hours
- Case Managers: 32 hours
- Revenue Cycle Management: 30 hours
- Utilization Management: 30 hours
- Medical Director/VP Medical Affairs: 24 hours
- Compliance Officer: 22 hours
- Medical Records Director: 20 hours
- Physician: 19 hours
- IT: 19 hours
- Vice President (Other than CFO): 16 hours
- Patient Financial Services-Director: 16 hours
- CFO/VP Finance: 12 hours
- Legal Counsel/Lawyer: 10 hours
- Other (Please specify in email below): 50 hours

*Includes participating hospitals with and without RAC activity

Source: AHA. (May 2011). RACTrac Survey
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31% of hospitals using external resources spent money on copying records and nearly 40% spent money on outside consultants.

Percent of Participating Hospitals* Using External Resources by Type and Average Dollars Spent this quarter, 1st Quarter 2011

<table>
<thead>
<tr>
<th>Administrative Burden</th>
<th>Average Dollar Amount This Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Record Copying Service</td>
<td>$2,703</td>
</tr>
<tr>
<td>Utilization Management Consultant</td>
<td>$28,656</td>
</tr>
<tr>
<td>Other Consultant</td>
<td>$18,157</td>
</tr>
<tr>
<td>External Legal Counsel</td>
<td>$4,387</td>
</tr>
<tr>
<td>Other</td>
<td>$5,443</td>
</tr>
</tbody>
</table>

Average dollars spent by hospitals that reported utilizing external resources.

* Includes participating hospitals with and without RAC activity

Source: AHA. (May 2011). RACTrac Survey
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55% of respondents indicated they have yet to receive any education related to avoiding payment errors from CMS or its contractors.

Percent of Participating Hospitals Reporting they Received Education from CMS or its Contractors, National and by Region, 1st Quarter 2011

### Reported Education by RAC Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>30%</td>
<td>58%</td>
<td>12%</td>
</tr>
<tr>
<td>Region B</td>
<td>23%</td>
<td>58%</td>
<td>19%</td>
</tr>
<tr>
<td>Region C</td>
<td>33%</td>
<td>56%</td>
<td>11%</td>
</tr>
<tr>
<td>Region D</td>
<td>34%</td>
<td>48%</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Includes participating hospitals with and without RAC activity

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
52% of hospital respondents reported problems with reconciling recoupments and untimely RAC correspondence.

Percent of Participating Hospitals Reporting RAC Process Issues, by Issue, 1st Quarter 2011

- Problems reconciling pending and actual recoupment due to confusing/insufficient information on the remittance advice: 52%
- Long lag (greater than 30 days) between date on review results letter and receipt of demand letter: 52%
- RAC not meeting 60-day deadline to make a determination on a claim: 42%
- Receiving a demand letter announcing a RAC denial and pending recoupment AFTER the denial has been reported on the remittance: 38%
- Not receiving a demand letter informing the hospital of a RAC denial: 36%
- Problems with remittance advice RAC code N432: 29%
- Demand letters lack a detailed explanation of the RAC's rationale for denying the claim: 27%

*Includes participating hospitals with and without RAC activity

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Nearly one in four hospitals reported that RAC rescission of medical record requests and late demand letters are problems with the RAC process.

Percent of Participating Hospitals Reporting RAC Process Issues, by Issue, 1st Quarter 2011

- RAC is rescinding medical record requests after you have already submitted the records: 22%
- Long lag (greater than 15 days) between date on demand letter and receipt of demand letter: 22%
- RACs auditing claims that are older than the 3 year look-back period: 10%
- RAC is mailing medical record requests to wrong hospital or wrong contact: 10%
- Problems with postage reimbursement: 6%
- RAC is auditing a particular MS-DRG or type of claim that is not approved by CMS: 4%
- RAC is issuing more than one medical record request within a 45-day period: 1%

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The majority of hospital respondents indicated RAC responsiveness and overall communication was “fair” or “good.”

Participating Hospitals Rating of RAC Responsiveness and Overall Communication, 1st Quarter 2011

* Includes participating hospitals with and without RAC activity

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
“Fair” and “poor” rankings on responsiveness and communication out weighed “good” and “excellent” except in Region D.

### Participating Hospital Rating of RAC Responsiveness and Overall Communication, by Region, 1st Quarter 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>10%</td>
<td>36%</td>
<td>41%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Region B</td>
<td>4%</td>
<td>25%</td>
<td>31%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Region C</td>
<td>4%</td>
<td>32%</td>
<td>36%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Region D</td>
<td>9%</td>
<td>36%</td>
<td>22%</td>
<td>15%</td>
<td>18%</td>
</tr>
</tbody>
</table>

* Includes participating hospitals with and without RAC activity

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AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
The average wait time for a RAC response varied significantly, with 18% of hospitals reporting it took 14 days or more to receive a response from their RAC.

Average Number of Days it Took RACs to Respond to Hospital Inquiries for Participating Hospitals, 1st Quarter 2011

* Includes participating hospitals with and without RAC activity

Source: AHA. (May 2011). RACTrac Survey
AHA analysis of survey data collected from 1,960 hospitals: 1,580 reporting activity, 380 reporting no activity through March 2011. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.
RAC response time varied by region. The majority of hospitals in each region indicated it took 1-3 days for the RAC to respond to hospital inquiries.

### Average Number of Days For RACs to Respond to Hospital Inquiries for Participating Hospitals, by Region, 1st Quarter 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>24 hours</th>
<th>1-3 days</th>
<th>7 days</th>
<th>14 or more days</th>
<th>No Response Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A</td>
<td>32%</td>
<td>33%</td>
<td>9%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Region B</td>
<td>5%</td>
<td>30%</td>
<td>20%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Region C</td>
<td>14%</td>
<td>45%</td>
<td>15%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Region D</td>
<td>22%</td>
<td>39%</td>
<td>9%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

* Includes participating hospitals with and without RAC activity

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RACTrac Data Collection Period, July 2011
July 2011 RACTrac Data Collection Period

- **RACTrac is open NOW—Submit Your Data Today!**
- RACTrac will collect data July 1 through July 15
- Hospital leaders nationwide received an email with their RACTrac registration info last month
- If you need your RACTrac registration information contact **RACTrac Support** at: 1-888-722-8712 or ractracsupport@providercs.com
- RACTrac will open at the beginning of each subsequent quarter to collect data on RAC activity experienced to date
For more information on:
  RACTrac
Tracking RAC activity with AHA’s Free Claim Level Tool
Previous RACTrac Webinars
www.aha.org/aha/issues/RAC/ractrac.html