Exploring the Impact of the RAC Program on Hospitals Nationwide

Results of AHA RACTrac Survey, 1st Quarter 2011

May 20, 2011
RAC 101

- Centers for Medicare & Medicaid Services (CMS) Recovery Audit Contractor (RACs) conduct *automated reviews* of Medicare payments to health care providers—using computer software to detect improper payments. RACs also conduct *complex reviews* of provider payments—using human review of medical records and other medical documentation to identify improper payments to providers.

- Improper payments include:
  - incorrect payment amounts;
  - incorrectly coded services (including Medicare Severity diagnosis-related group (MS-DRG) miscoding);
  - non-covered services (including services that are not reasonable and necessary); and
  - duplicate services.
RAC Trac Background

- AHA created RAC Trac—a free, web-based survey—in response to a lack of data provided by CMS on the impact of the RAC program on America's hospitals.
  - Hospitals use AHA’s online survey application, RAC Trac (accessed at www.aharactrac.com), to submit their data regarding the impact of the RAC program.
  - Survey questions are designed to collect cumulative RAC experience data, from the inception of a hospital’s RAC activity through the 1st quarter of 2011.
  - Survey registration information and RAC Trac support can be accessed at ractracsupport@providercs.com or 1-888-722-8712.
- The AHA recently enhanced the RAC Trac survey to capture more detailed information on medical necessity review denials and the administrative burden due to problems with the RAC process.
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.
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
More than four out of five hospitals participating in RACTrac reported experiencing RAC activity.

Percent of Participating Hospitals Experiencing RAC Activity, 1st Quarter 2011

<table>
<thead>
<tr>
<th>Experiencing RAC Activity</th>
<th>No RAC Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>84%</td>
<td>16%</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 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 1\textsuperscript{st} Quarter 2011

<table>
<thead>
<tr>
<th>Type of Hospital</th>
<th>Reporting No RAC Activity</th>
<th>Reporting RAC Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 200 beds</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>200 - 399 beds</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>400+ beds</td>
<td>8%</td>
<td>92%</td>
</tr>
<tr>
<td>Urban</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>Rural</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Teaching</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Non Teaching</td>
<td>20%</td>
<td>80%</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.
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

<table>
<thead>
<tr>
<th>States By RAC Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont</td>
</tr>
<tr>
<td>Region B: Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin</td>
</tr>
<tr>
<td>Region C: Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, Puerto Rico, and U.S. Virgin Islands</td>
</tr>
<tr>
<td>Region D: Alaska, Arizona, California, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, North Dakota, Nebraska, Nevada, Oregon, South Dakota, Utah, Washington, Wyoming, Guam, American Samoa, and Northern Marianas</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.
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 1\textsuperscript{st} Quarter 2011

<table>
<thead>
<tr>
<th></th>
<th>All activity through Quarter 3, 2010</th>
<th>All activity through Quarter 4, 2010</th>
<th>All activity through Quarter 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated Denials</td>
<td>10,880</td>
<td>21,406</td>
<td>23,432</td>
</tr>
<tr>
<td>Complex Denials</td>
<td>7,001</td>
<td>15,714</td>
<td>29,739</td>
</tr>
<tr>
<td>Medical Record Requests</td>
<td>69,374</td>
<td>125,538</td>
<td>173,496</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 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 1st Quarter 2011

<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>20,569</td>
<td>33,311</td>
</tr>
<tr>
<td>Region B</td>
<td>49,778</td>
<td>62,963</td>
</tr>
<tr>
<td>Region C</td>
<td>36,623</td>
<td>44,309</td>
</tr>
<tr>
<td>Region D</td>
<td>18,568</td>
<td>32,886</td>
</tr>
</tbody>
</table>

Average Number of Medical Record Requests per Reporting Hospital, through Q1, 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

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

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.
RAC Denials
$167 million in denials have been reported, nearly double the $86 million reported last quarter.

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

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.

Percent and Dollar Amounts of Automated Denials Versus Complex Denials for Participating Hospitals, through 1st Quarter 2011

- **Automated Denials, $8,972,190 (5%)**
- **Complex Medical Record Denials, $158,293,079 (95%)**

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

- Region A: 13%
- Region B: 34%
- Region C: 31%
- Region D: 22%

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 Amount of Automated and Complex Denials Among Reporting Hospitals, by Region

<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.

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.

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 A

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

- **Outpatient Billing Error**: 42%
- **Inpatient Coding Error (MSDRG)**: 8%
- **Outpatient Coding Error**: 24%
- **Incorrect Discharge Status**: 8%
- **All Other**: 18%

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.

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

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.

- Outpatient Billing Error: 68%
- Inpatient Coding Error (MSDRG): 12%
- Duplicate Payment: 8%
- Outpatient Coding Error: 8%
- All Other: 4%

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, 1\textsuperscript{st} 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: 14%

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, 4th Quarter 2010 and 1st Quarter 2011

Survey participants were asked to select all reasons for denial.

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 denials with the largest financial.

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.

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

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, 2\textsuperscript{nd} Quarter 2011

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

- Medically Unnecessary: 51%
- Incorrect MS-DRG or Other Coding Error: 44%
- 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.

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

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.

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

<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>

New!

<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). 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.
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 Amount (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONWIDE</td>
<td>4,112</td>
<td><strong>$17.4</strong></td>
</tr>
<tr>
<td>Region A</td>
<td>758</td>
<td><strong>$3.3</strong></td>
</tr>
<tr>
<td>Region B</td>
<td>952</td>
<td><strong>$4.6</strong></td>
</tr>
<tr>
<td>Region C</td>
<td>607</td>
<td><strong>$3.7</strong></td>
</tr>
<tr>
<td>Region D</td>
<td>1,795</td>
<td><strong>$5.8</strong></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.
Appeals
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

Overturned Denials by RAC Region

<table>
<thead>
<tr>
<th></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>

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>Region</th>
<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>
<td>21%</td>
</tr>
<tr>
<td>Region A</td>
<td>6,767</td>
<td>28%</td>
</tr>
<tr>
<td>Region B</td>
<td>18,123</td>
<td>25%</td>
</tr>
<tr>
<td>Region C</td>
<td>16,778</td>
<td>14%</td>
</tr>
<tr>
<td>Region D</td>
<td>11,498</td>
<td>20%</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>Region</th>
<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>
<td>16.8</td>
</tr>
<tr>
<td>Region A</td>
<td>65%</td>
<td>18.2</td>
</tr>
<tr>
<td>Region B</td>
<td>80%</td>
<td>22.1</td>
</tr>
<tr>
<td>Region C</td>
<td>65%</td>
<td>11.0</td>
</tr>
<tr>
<td>Region D</td>
<td>59%</td>
<td>17.2</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.
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>Region</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

<table>
<thead>
<tr>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased administrative costs</td>
<td>49%</td>
</tr>
<tr>
<td>Training &amp; Education</td>
<td>39%</td>
</tr>
<tr>
<td>Tracking Software</td>
<td>33%</td>
</tr>
<tr>
<td>No impact</td>
<td>25%</td>
</tr>
<tr>
<td>Initiated a new internal task force</td>
<td>18%</td>
</tr>
<tr>
<td>Employed additional staff/Hiring</td>
<td>17%</td>
</tr>
<tr>
<td>Additional administrative role of clinical staff</td>
<td>16%</td>
</tr>
<tr>
<td>Modified admission criteria</td>
<td>14%</td>
</tr>
<tr>
<td>Had to make cutbacks</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</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.
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

* 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.
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
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.
55% of respondents indicated they have yet to receive any education related to avoiding payment errors from CMS or its contractors.

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>

Percent of Participating Hospitals Reporting they Received Education from CMS or its Contractors, National and by Region, 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.
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 recoupmcnt 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

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 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*

Source: AHA. (May 2011). RACTrac Survey

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For more information visit AHA’s RACTrac website:

http://www.aha.org/aha/issues/RAC/ractrac.html