



Exploring the Impact of the RAC Program on Hospitals Nationwide

Quarterly National Webinar

September 18, 2012

Agenda

- RAC update
- Review of RAC resources
- Key findings of the *RAC*Trac Report, 2nd Quarter 2012

Access entire RACTrac Report at:

<http://www.aha.org/advocacy-issues/rac/ractrac.shtml>

- RAC*Trac* data collection period, October 2012
- Questions and Answers





**American Hospital
Association**

THANKS

For Making the Latest *RAC*Trac Data Collection
a Success!!!!

2226 Participating Hospitals




American Hospital Association

RAC Update

RAC/Audit Policy Update

- Ongoing RAC operational issues: Demand letters; appeals bottlenecks, etc.
- AHA RAC legislation in development
- Sept: AHA's OPFS comment letter addresses short-stay denials
- Sept: GAO preparing report on Medicare auditors
- Aug: CMS's Prepayment Review Demo
- June: AHA Letter to Senate Finance Committee




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August 29, 2012

Marilyn Tavenner
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1589-P
P.O. Box 8013
Baltimore, MD 21244-1850

RE: CMS-1589-P, Hospital Outpatient Prospective and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Electronic Reporting Pilot; Inpatient Rehabilitation Facilities Quality Reporting Program; Quality Improvement Organization Regulations; (Vol. 77, No. 146), July 30, 2012.

Dear Ms. Tavenner:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations, and our nearly 42,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) proposed rule for calendar year (CY) 2013 hospital outpatient prospective


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June 26, 2012

Submitted via e-mail (ProgramIntegrityWhitePapers@finance.senate.gov)

Chairman Baucus, Ranking Member Hatch and Senators Coburn, Wyden, Grassley and Carper
Committee on Finance
United States Senate
Washington, DC 20510-6200

Dear Honorable Members:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations and our 42,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to respond to the May 2 open letter to the health care community and present recommendations to better prevent and combat waste, fraud and abuse in the Medicare and Medicaid programs. America's hospitals take seriously their obligation to properly bill for the services they provide to Medicare and Medicaid beneficiaries.

Hospitals have a longstanding commitment to compliance, establishing programs and committing resources to ensure that they receive only the payment to which they are entitled. Hospital compliance programs are designed to meet the principles for effectiveness outlined in the U.S. Sentencing Guidelines and, more specifically, in the Office of the Inspector General's (OIG) compliance program guidance for hospitals. Every day hospital staff strive to comply in good faith with a complex and continually changing legal and regulatory environment affecting payment. Hospitals' compliance programs extend beyond having processes in place to respond to individual situations brought to their attention to include systems designed to track changes, and training and education to stay current with the evolving requirements. Hospitals invest substantial resources to monitor their bills for mistakes and assign responsibility for these proactive efforts to internal auditors and compliance officers.

Medicare and Medicaid payment rules are highly complex and the complexity is increasing. The volume of claims for hospital services submitted and processed on an annual basis is significant. And, predictably, mistakes are made by hospital staff, the Centers for Medicare & Medicaid Services (CMS) and program contractors alike. However, such mistakes are not fraud, and the



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RAC Resources

AHA RAC and Audit Resources

- Main AHA RAC Page: www.aha.org/rac
- AHA RACTrac Page: www.aha.org/ractrac; www.aharactrac.com
- 2012 AHA Audit Series: www.aha.org/auditseries
 - 2 October Webinars: Documentation and Medicaid Auditors
- Submit your RAC Questions: racinfo@aha.org



Ameri
As:



CMS RAC Program Information

- CMS RAC Program Info and Updates:
<https://www.cms.gov/recovery-audit-program/>
- New Page on Prepayment Demo:
<http://go.cms.gov/racprepay>

The screenshot shows a web browser window displaying the CMS Recovery Audit Program Providers page. The browser's address bar shows the URL <http://www.ofr.gov/OFRUpd...>. The page header includes the U.S. Department of Health & Human Services logo and the CMS logo. The main content area is titled "Recovery Audit Program Providers" and contains the following information:

- Recovery Audit Program Providers**
- Overview**
- Recovery Audit Program Providers**
- Recovery Audit Demonstration**
- Recent Updates**

Recovery Audit Program Providers

CMS will use this section to include updated information specific to providers.

08/15/11: **CMS Updates Additional Documentation Limits for Providers.** Click the link below to review the additional documentation limits for all providers, excluding for physicians and suppliers. The new limit increases the number of requests for providers whose calculated limit is below 35.

Downloads

- [08/15/11 Additional Documentation Limit Update for Providers \[PDF, 51 KB\]](#)
- [Additional Links for Providers \[PDF, 11 KB\]](#)
- [Provider Options Chart \[PDF, 16.20 KB\]](#)
- [FY 2011 Supplier ADR Limits \[PDF, 44.2 KB\]](#)
- [Physician ADR Limits \[PDF, 80 KB\]](#)

Related Links Inside CMS

There are no Related Links Inside CMS

Related Links Outside CMS

CMS Provider Education Resources

– CMS provider education:

http://www.cms.gov/MLNProducts/45_ProviderCompliance.asp

U.S. Department of Health & Human Services www.hhs.gov

CMS Centers for Medicare & Medicaid Services Search now

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[CMS Home](#) > [Outreach and Education](#) > [MLN Products](#) > Provider Compliance

MLN Products	Provider Compliance
<ul style="list-style-type: none">» Overview» MLN Products Catalog» Web-Based Training (WBT)» Preventive Services» Provider Compliance» Ophthalmology Resource Information» Advanced Practice Nurses and Physician Assistants (APN/PA)» FFS Provider Web Pages» MLN Opinion Page» MLN Publications» MLN Multimedia	<div style="border: 1px solid blue; padding: 10px;"><p style="text-align: center;">FAST FACT</p><p>Issue: Outpatient Rehabilitation Services – Medical Record Documentation and Claims Submission CERT Errors</p><p>Solution: The medical record should clearly document:</p><ul style="list-style-type: none">• Complete plan of care;• Date the plan of care is modified, including how it was modified and why the previous goals were not met or could not be met;• Confirmation that the plan of care is certified (recertified when appropriate) with physician/ NPP signature and date; and• Treatment time for timed codes and total treatment time (including timed and untimed codes).</div> <p style="text-align: center;"> Official CMS Information for Medicare Fee-For-Service Providers</p> <p>The Medicare Learning Network® (MLN) Products Provider Compliance page contains educational products that inform Medicare Fee-For-Service (FFS) providers about how to avoid common billing errors and other improper activities when dealing with the Medicare Program. Since 1996, the Centers for Medicare &</p>



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RAC *Trac* 2nd Quarter 2012 Results

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 2nd quarter of 2012.
 - 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.



Highlights

- Participants continue to report dramatic increases in RAC activity:
 - Medical record requests are up 22% relative to last quarter.
 - The number of denials is up 24% relative to last quarter.
 - The dollar value of denials is up 21% relative to last quarter.
- Nearly two-thirds of medical records reviewed by RACs **did not** contain an improper payment.
- More than two-thirds 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 was not medically necessary.
- Hospitals reported appealing more than 40% of all RAC denials, with a 75% success rate in the appeals process.
- Nearly two-thirds of all hospitals filing a RAC appeal during the 2nd Quarter of 2012 reported appealing short stay medically unnecessary denials.

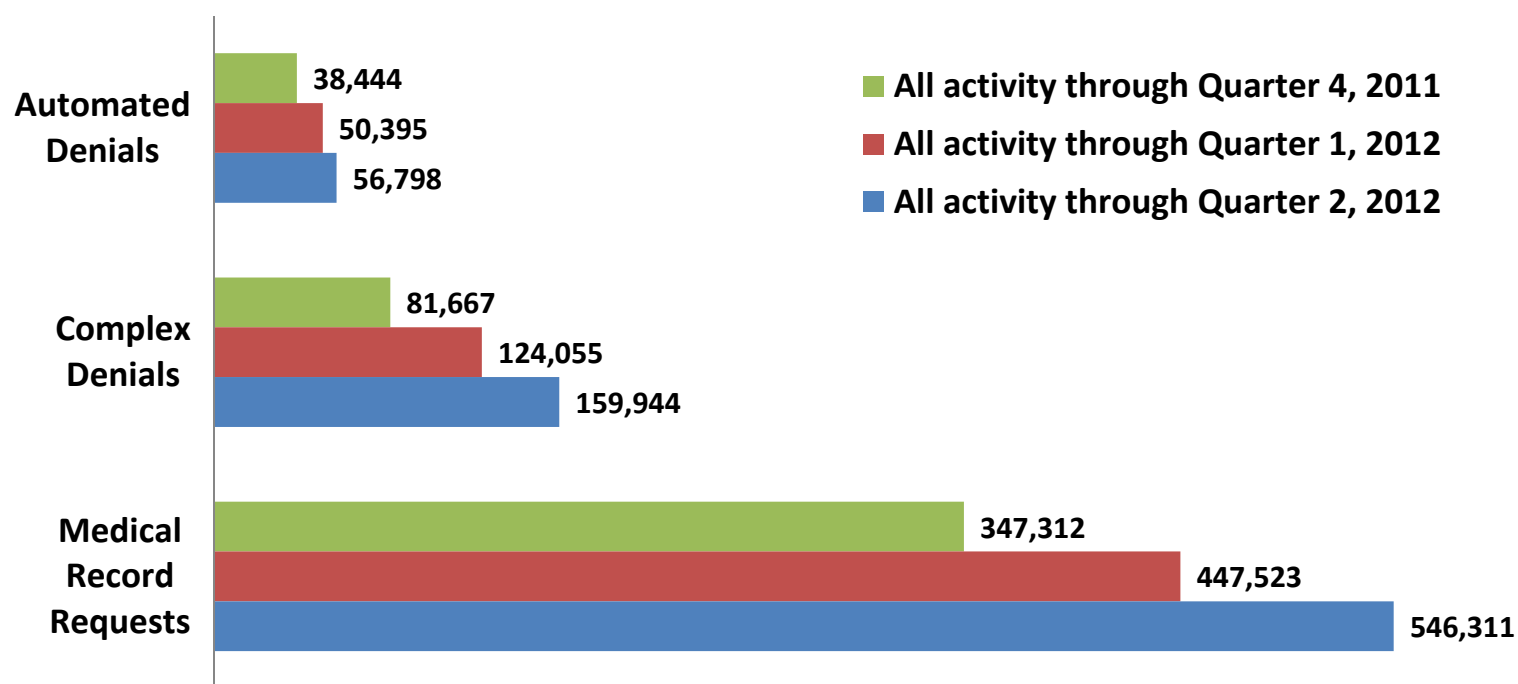




RAC Activity

Participants continue to report dramatic increases in RAC denials and medical record requests.

Reported Automated Denials, Complex Denials and Medical Records Requests by Participating Hospitals, through 2nd Quarter 2012



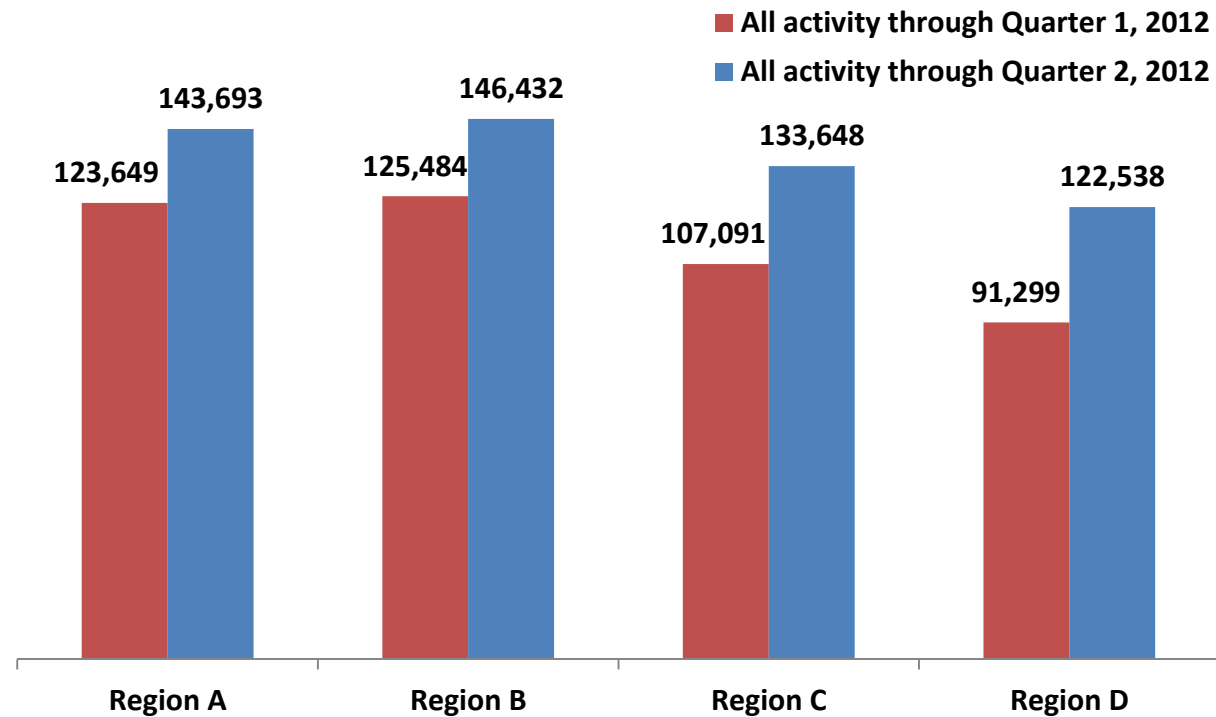
Source: AHA. (August 2012). RAC TRAC Survey

AHA analysis of survey data collected from 2,266 hospitals: 1,906 reporting activity, 360 reporting no activity through August 2012. 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.

Regions C and D experienced the highest increases in medical record requests.

Number of Medical Records Requested from Participating Hospitals With Complex Medical Record RAC Activity, through 2nd Quarter 2012

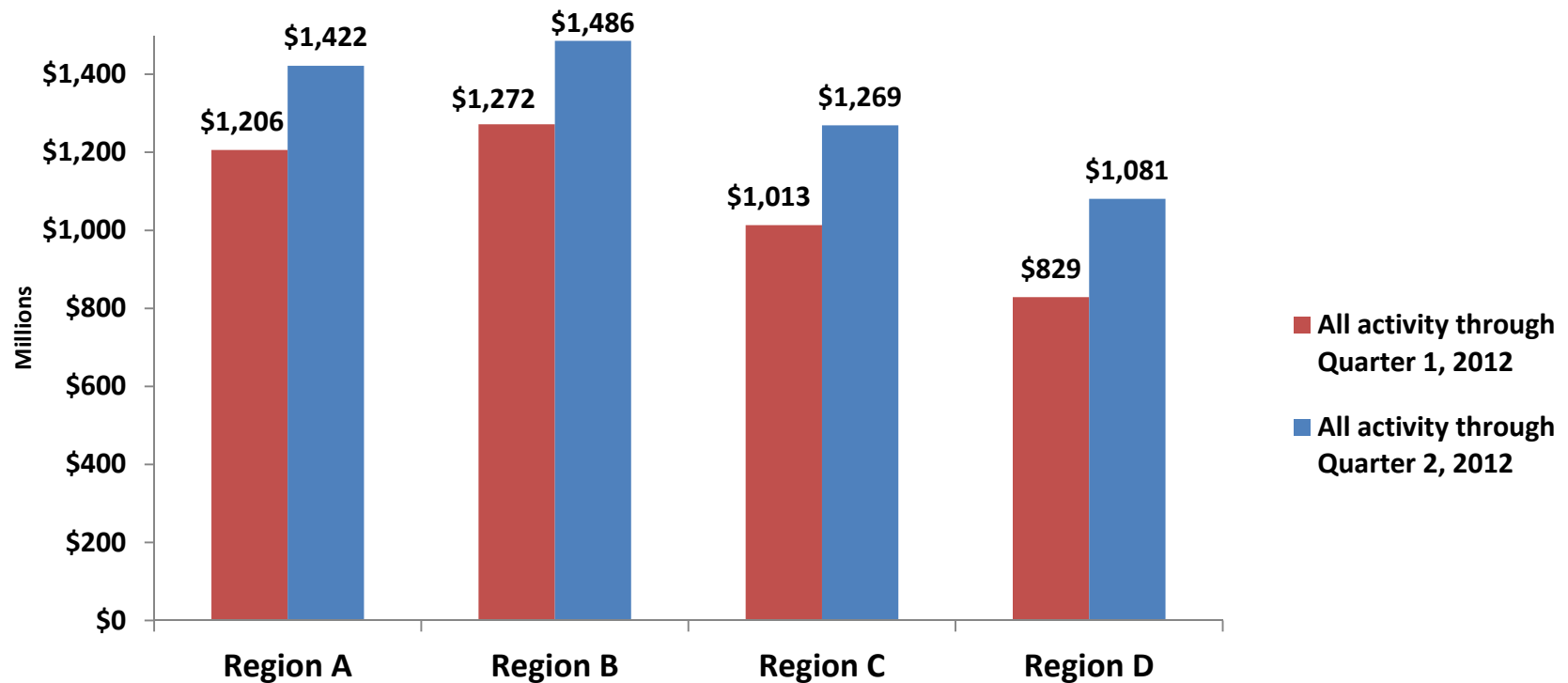
Average Number of Medical Record Requests per Reporting Hospital, through Q2, 2012	
Region A	876
Region B	637
Region C	497
Region D	700



Source: AHA. (August 2012). RACTRAC Survey
 AHA analysis of survey data collected from 2,266 hospitals: 1,906 reporting activity, 360 reporting no activity through August 2012. 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, \$5.3 billion in Medicare payments were targeted for medical record requests through the 2nd quarter of 2012.

Medicare Payments Associated with Medical Records Requested from Participating Hospitals, through 2nd Quarter 2012, in Millions

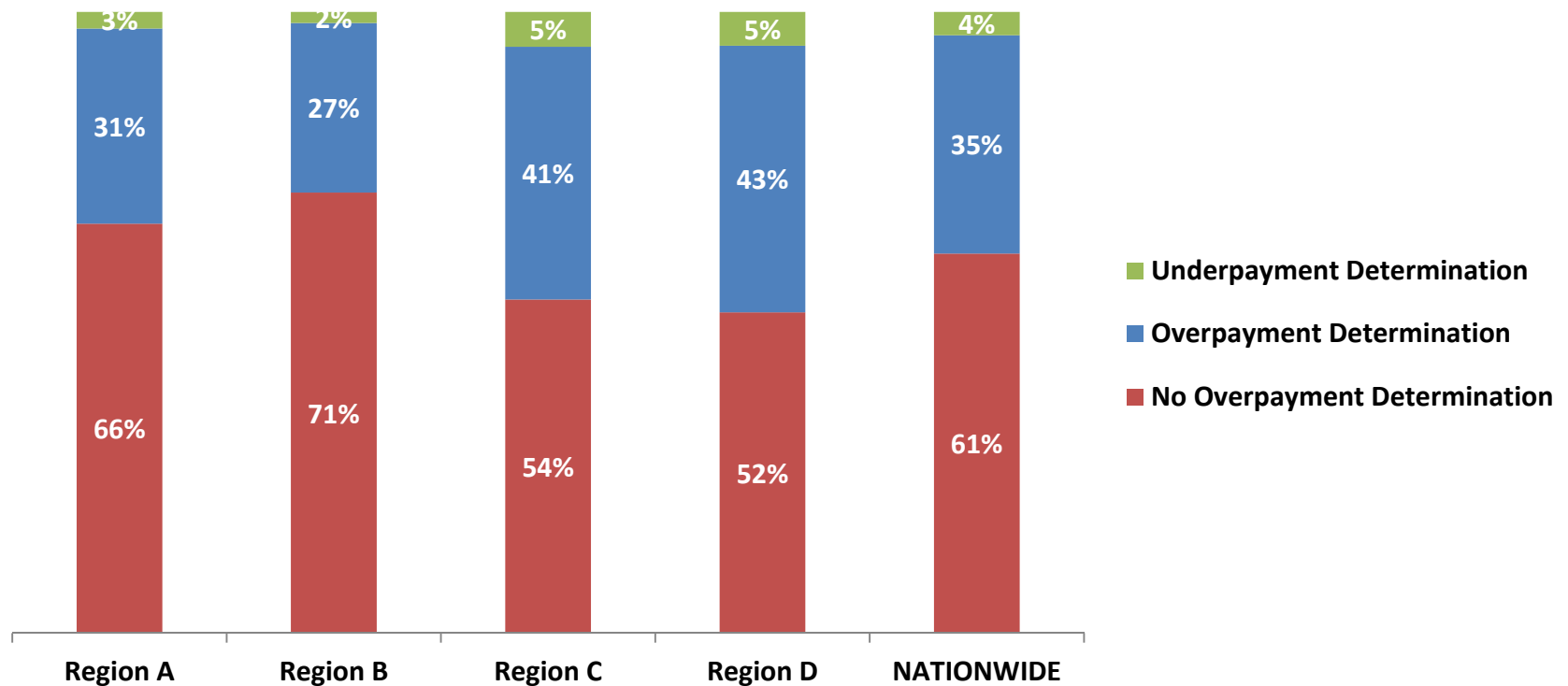


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Nearly two-thirds of medical records reviewed by RACs did not contain an improper payment.

Percent of Completed Complex Reviews with and without Overpayment or Underpayment Determinations for Participating Hospitals, by Region, through 2nd Quarter 2012



Source: AHA. (August 2012). RACTRAC Survey

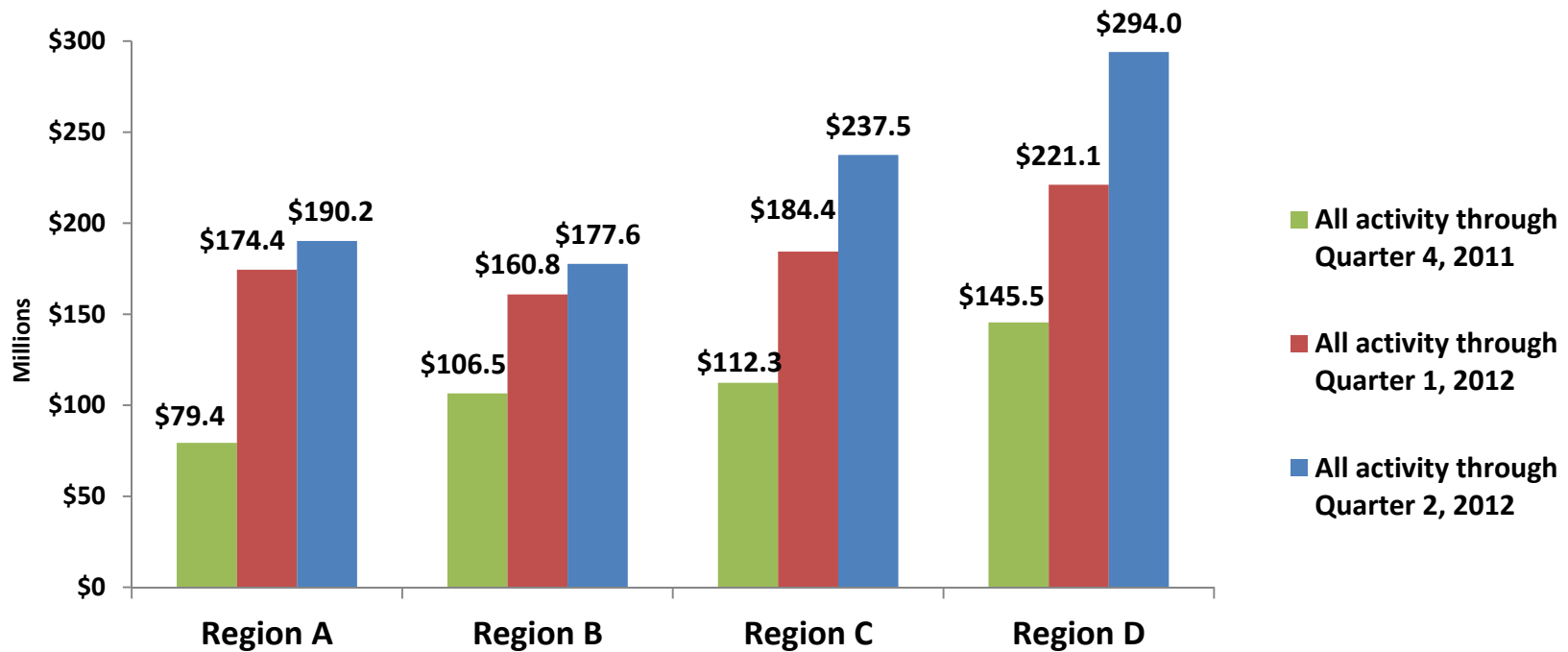
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RAC Denials

\$899 million in denials were reported through the second quarter of 2012, up 21% from the first quarter.

Dollar Value of Automated and Complex Denials by RAC Region for Participating Hospitals, through 2nd Quarter 2012, Millions

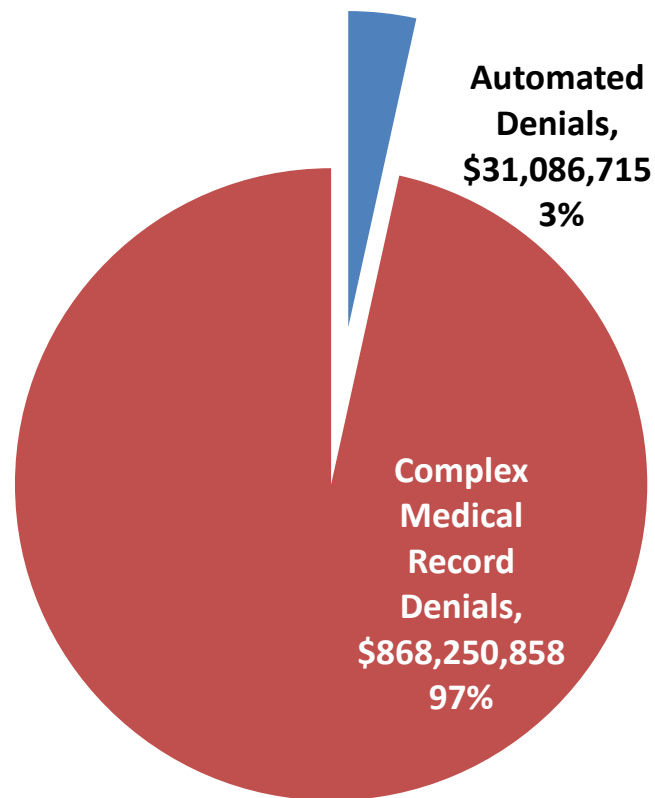


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97% of denied dollars were for complex denials.

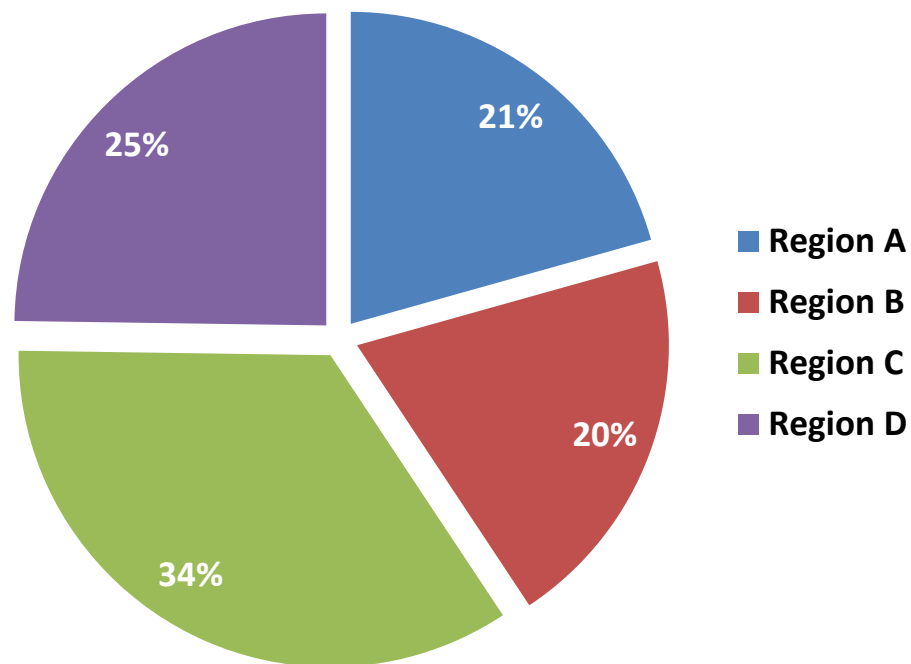
Percent and Dollar Amounts of Automated Denials Versus Complex Denials for Participating Hospitals, through 2nd Quarter 2012



Source: AHA. (August 2012). RACTRAC Survey
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RAC denials are spread among all four RAC regions.

Percent of Automated and Complex Denials by RAC Region for Participating Hospitals, through 2nd Quarter 2012

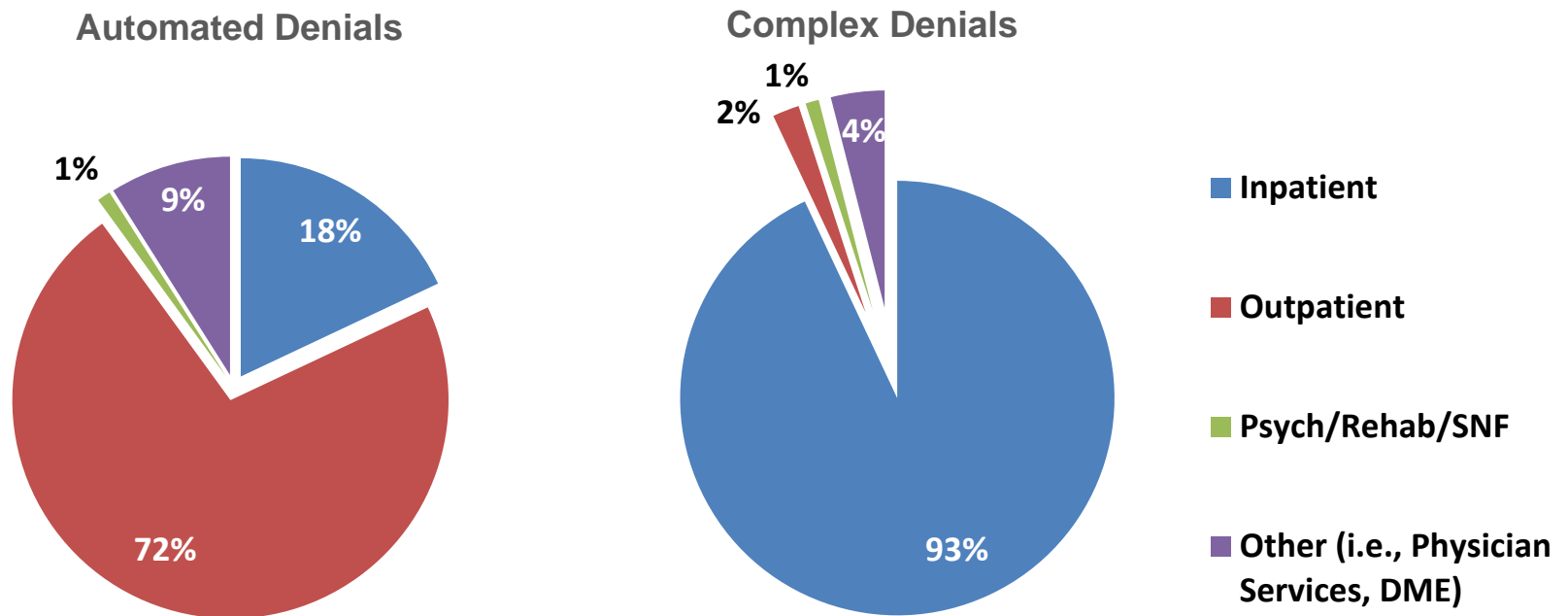


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Denials in the outpatient setting were the automated denials with the largest financial impact while inpatient setting denials were the complex denials with the largest financial impact.

Percent of Participating Hospitals by Top Service Area for Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 2nd Quarter 2012

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



Source: AHA. (August 2012). RACTRAC Survey
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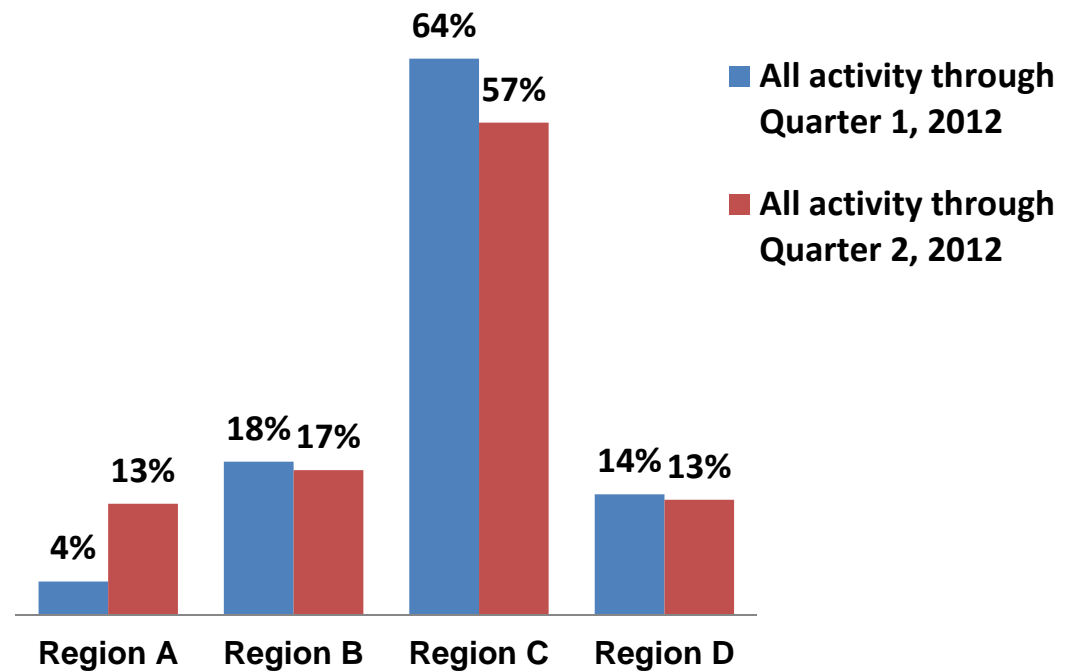


Automated RAC Denials

The volume of automated denials in Region exploded, nearly tripling since the last quarter.

Percent and Number of Reported Automated Denials for Participating Hospitals, by Region, through 2nd Quarter 2012

	Total Number of Automated Denials by RAC Region	
	Through 1 st Quarter 2012	Through 2 nd Quarter 2012
Region A	1979	7,334
Region B	8950	9,537
Region C	32,417	32,336
Region D	7049	7,591



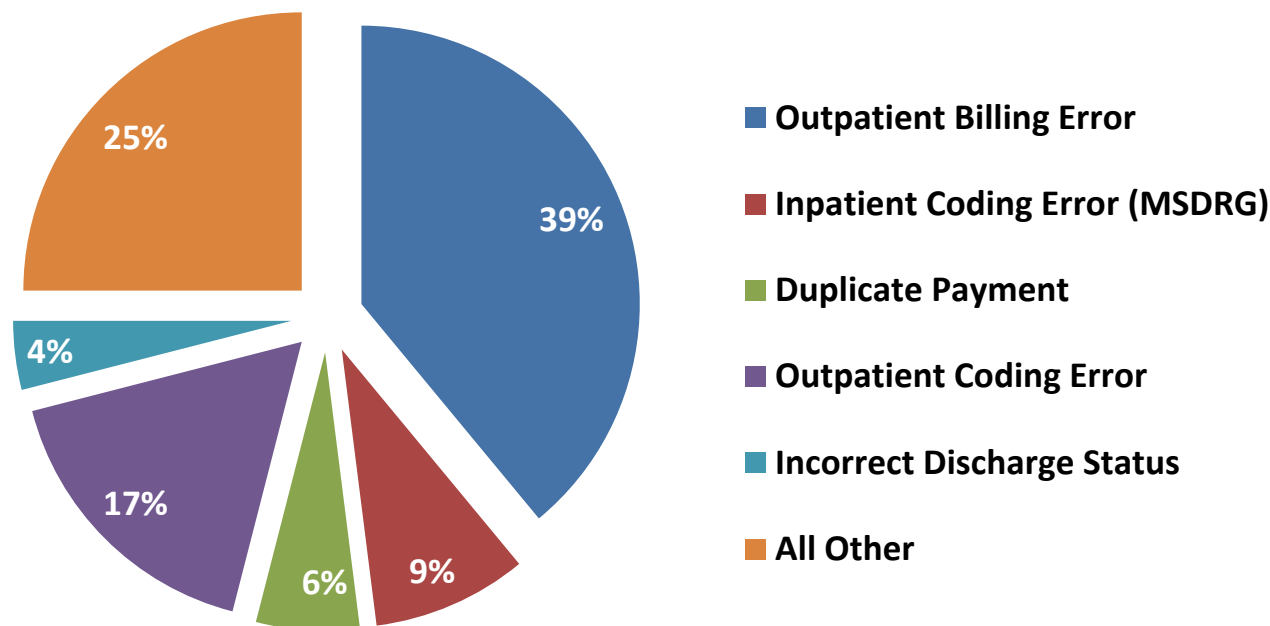
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RACs are issuing automated denials for many different reasons.

Percent of Participating Hospitals by Top Reason for Automated Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 2nd Quarter 2012

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



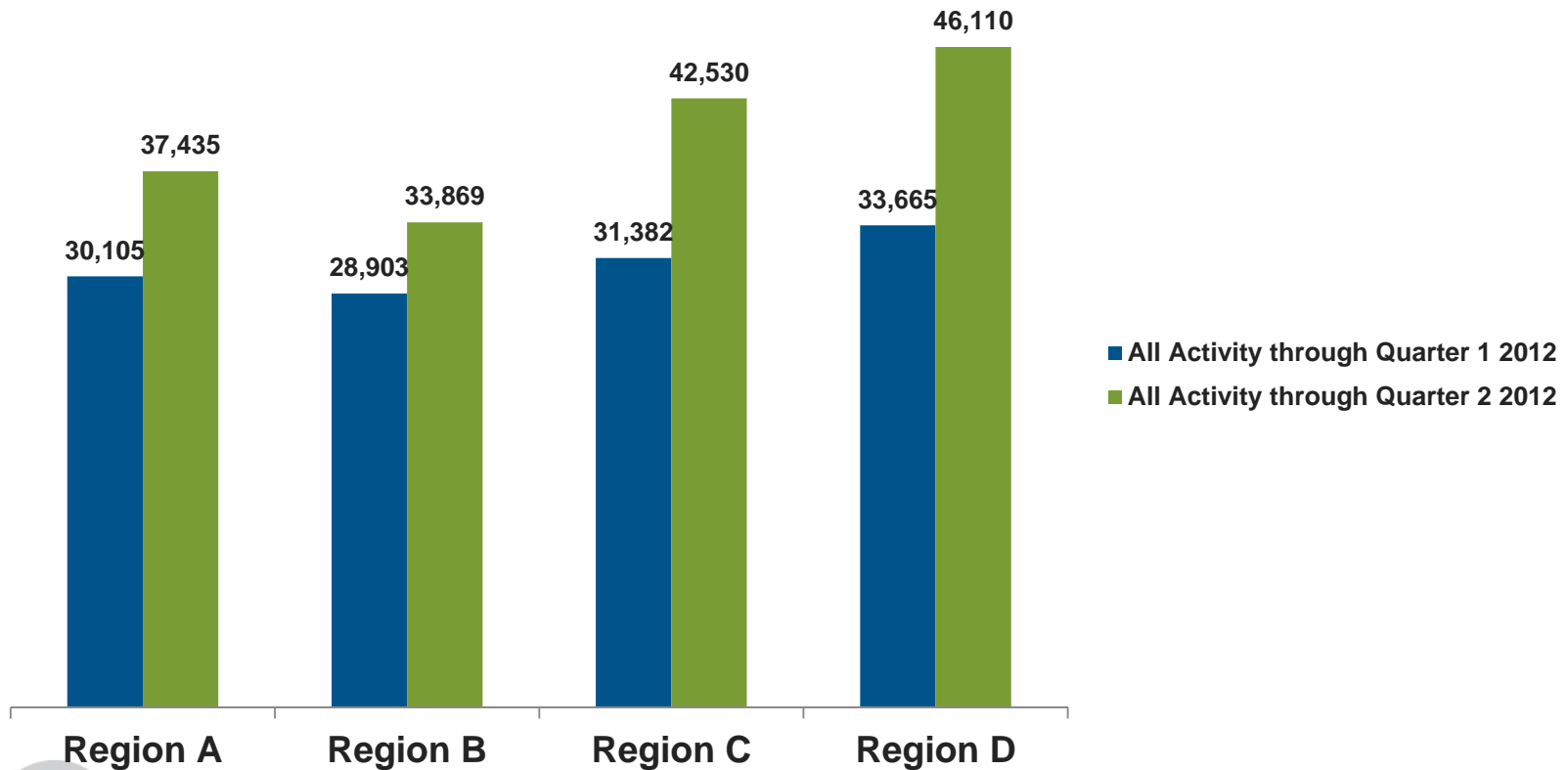
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Complex RAC Denials

The volume of complex denials increased by 29% from 1st to 2nd quarter 2012.

Number of Complex Denials by RAC Region for Participating Hospitals, through 2nd Quarter 2012



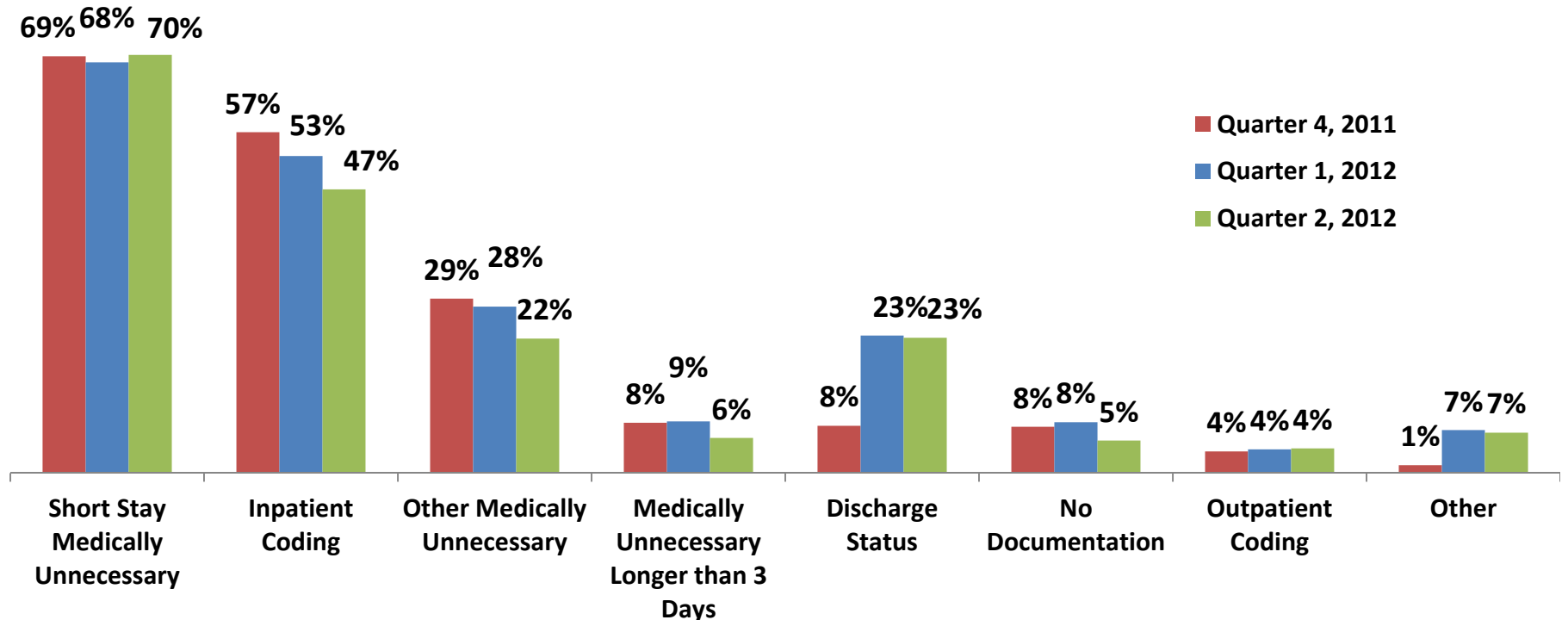
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The most commonly cited reason for a complex denial was 'short-stay medically unnecessary'.

Percent of Participating Medical/Surgical Acute Hospitals with RAC Activity Experiencing Complex Denials by Reason, 4th Quarter 2011 and 1st and 2nd Quarter, 2012

Survey participants were asked to select all reasons for denial.



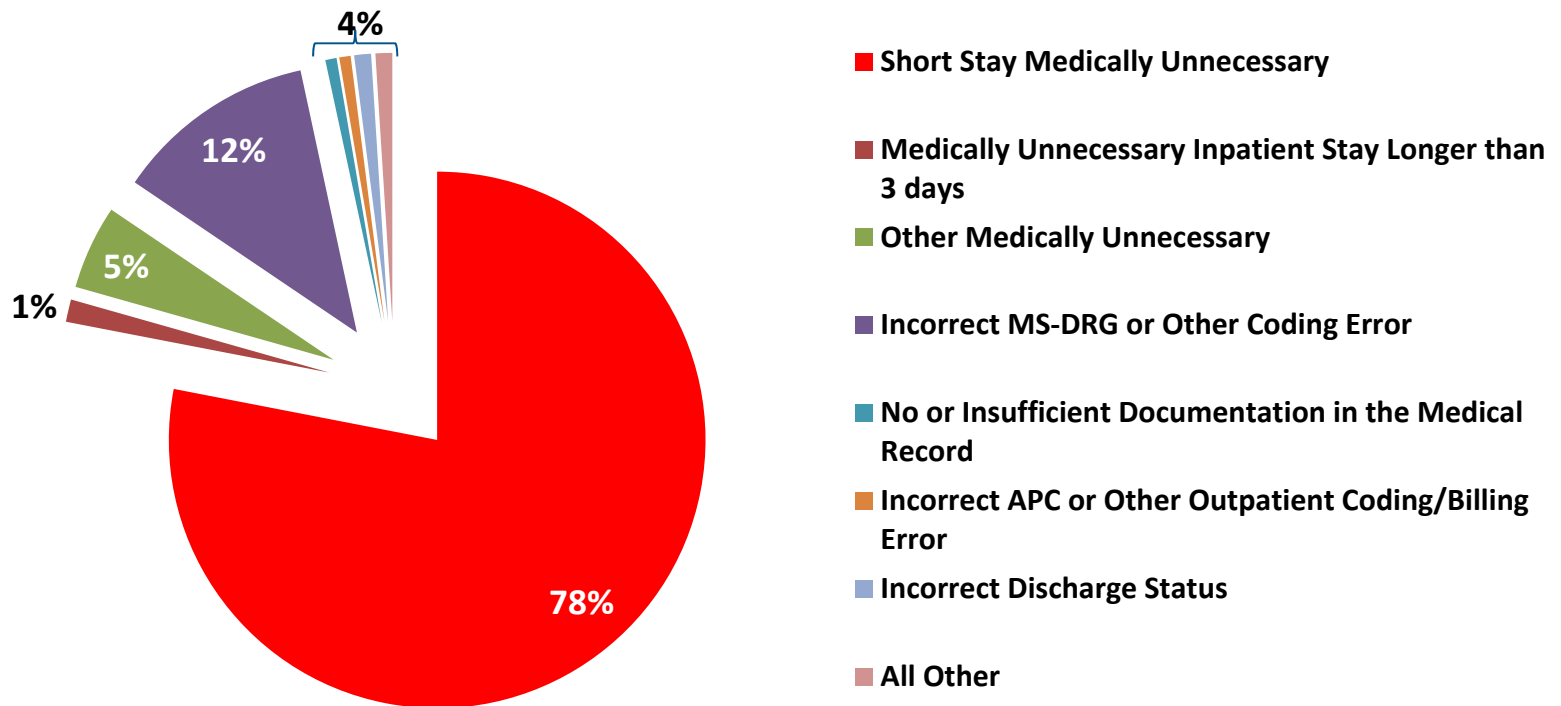
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84% of hospitals indicated medical necessity denials were the most costly complex denials.

Percent of Participating Hospitals by Top Reason for Complex Denials by Dollar Amount for Medical/Surgical Acute Hospitals with RAC Activity, 2nd Quarter 2012

Survey participants were asked to rank denials by reason, according to dollars impacted, manual survey entries only.



Source: AHA. (August 2012). RACTRAC Survey
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More than two-thirds of short-stay medical necessity denials were because the care was provided in the wrong setting, not because the care was not medically necessary.

Reason for Medical Necessity Denials by Length of Stay Among Hospitals Reporting Medical Necessity Denials, through 2nd Quarter 2012

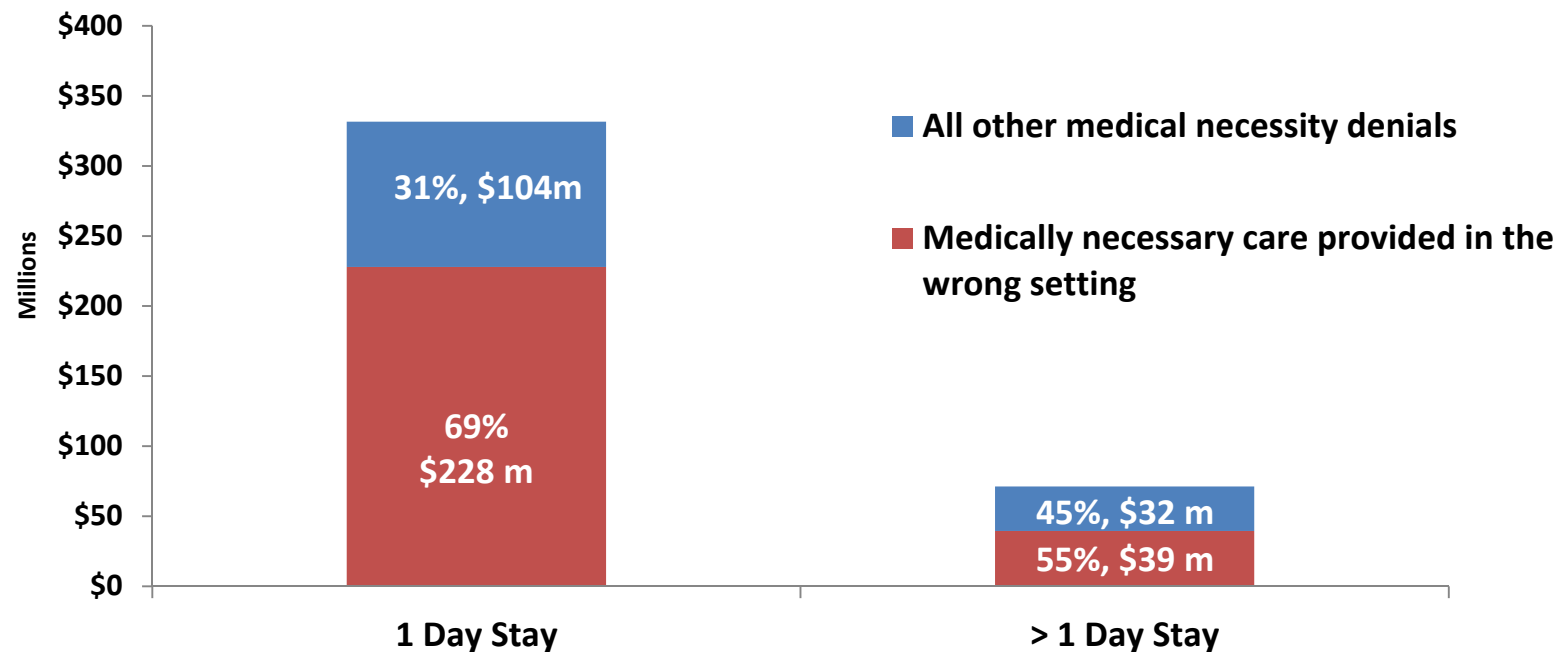


Chart includes hospitals reporting ANY inappropriate setting denials. Not all hospital decision-support systems and RAC TRAC compatible vendors have made accommodations to allow hospitals to answer this question yet. As a result, the volume of medical necessity denials for inappropriate setting may be under-represented in this chart. Furthermore, older RAC claims may not be classified as “inappropriate setting” by the hospital.



Source: AHA. (August 2012). RACTRAC Survey
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Syncope & Collapse and Stents were the top MS-DRGs denied by RACs in terms of dollar impact.

Percent of Participating Hospitals Reporting the MS-DRG for Medically Unnecessary and all other Complex Denials With the Largest Financial Impact, through 2nd Quarter 2012

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

Medical Necessity Denials

MS-DRG	Description	% of Hospitals
247	PERC CARDIOVASC PROC W DRUG-ELUTING STENT W/O MCC	25%
312	SYNCOPE & COLLAPSE	19%
313	CHEST PAIN	10%
392	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS W/O MCC	9%
69	TRANSIENT ISCHEMIA	3%

All Other Complex Denials

MS-DRG	Description	% of Hospitals
312	SYNCOPE & COLLAPSE	7%
166	OTHER RESP SYSTEM O.R. PROCEDURES W MCC	5%
247	PERC CARDIOVASC PROC W DRUG-ELUTING STENT W/O MCC	4%
313	CHEST PAIN	4%
981	EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS W MCC	4%



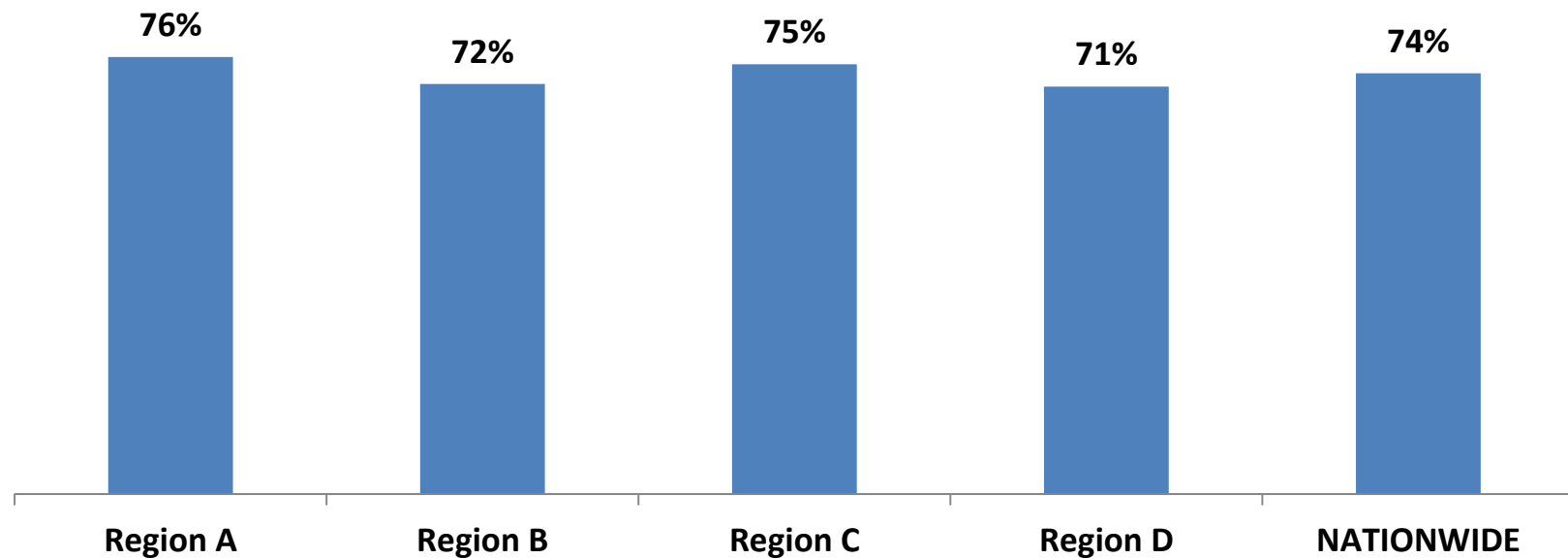
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Underpayments

Nearly three-quarters of participating hospitals nationwide with RAC activity reported receiving at least one underpayment determination.

Percent of Hospitals Reporting Underpayment Determinations, By Region, through 2nd Quarter 2012



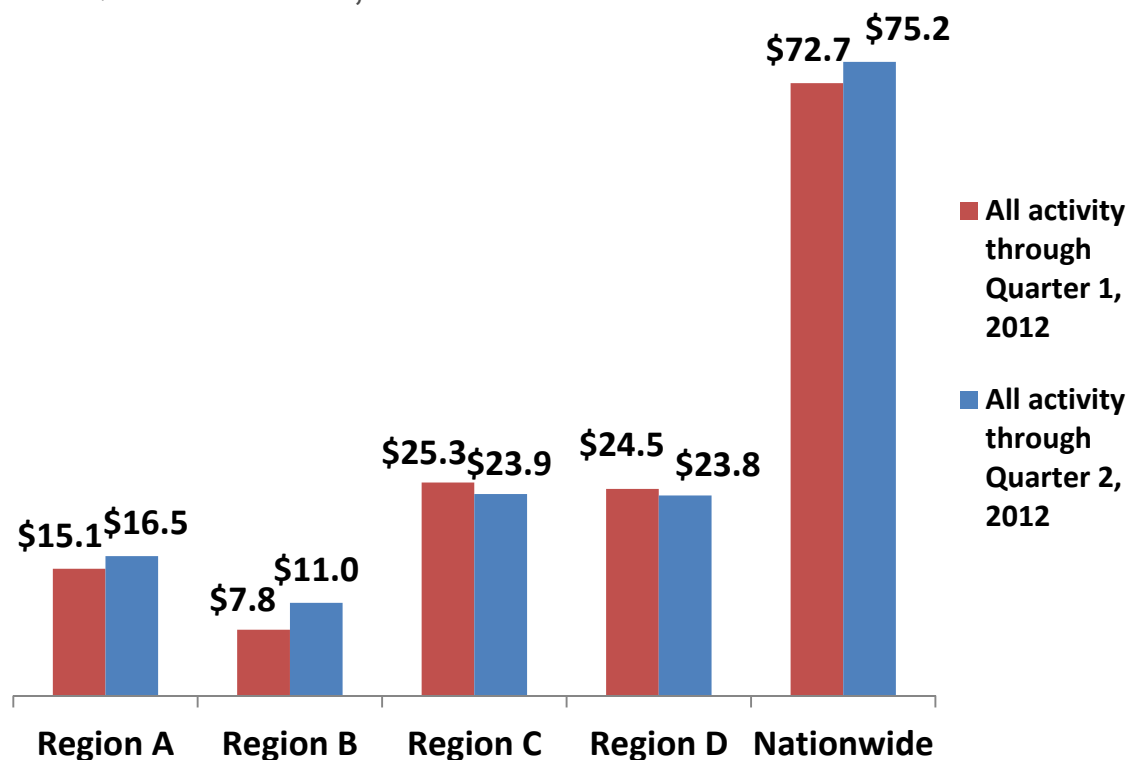
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Hospitals reported RAC identified underpayments totaling \$75 million dollars.

Total Dollar Value of Underpayment Determinations for Participating Hospitals, By Region, through 1st and 2nd Quarter 2012, Millions

	Number of RAC Underpayment Determinations, through Quarter 2, 2012
NATIONWIDE	17,087
Region A	3,186
Region B	2,191
Region C	5,866
Region D	5,844

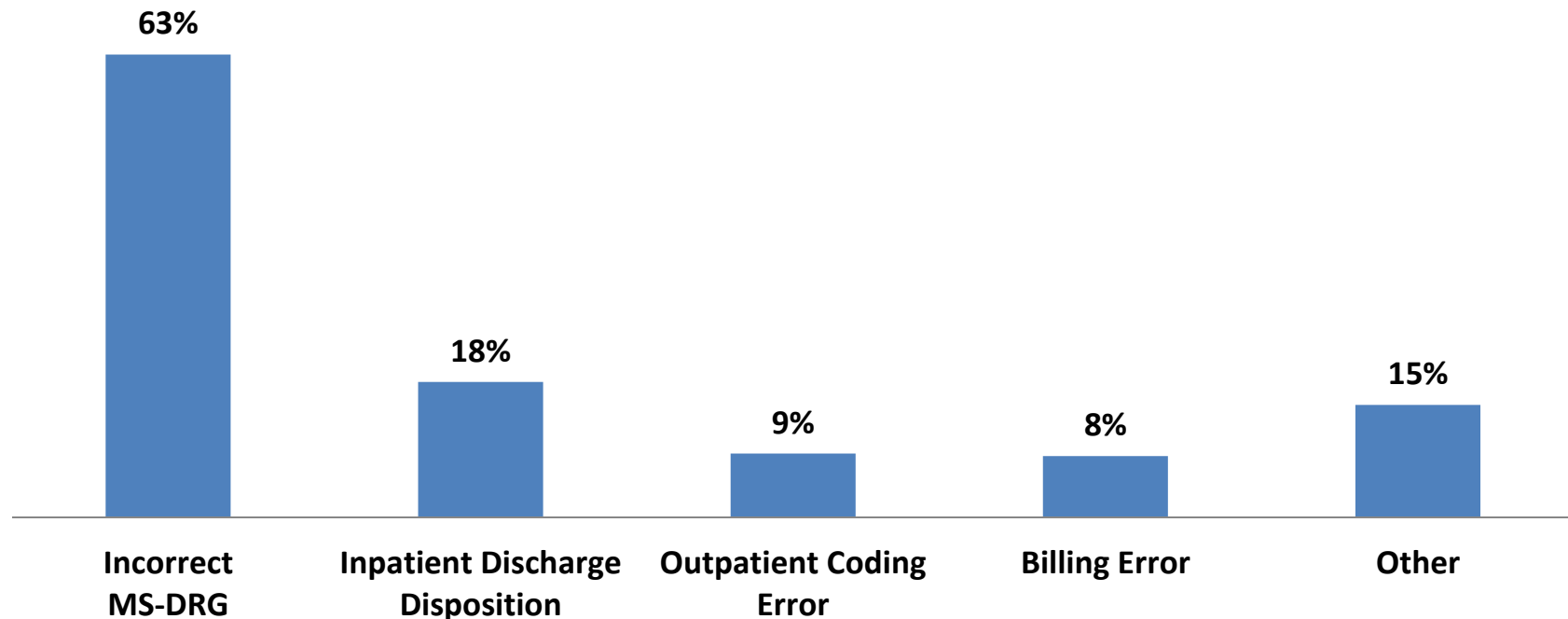


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63% of hospitals with underpayment determinations cited incorrect MS-DRG as a reason for the underpayment and 18% cited discharge disposition.

Percent of Participating Hospitals with RAC Activity Experiencing Underpayments by Reason, 2nd Quarter 2012

Survey participants were asked to select all reasons for underpayment.



Source: AHA. (August 2012). RACTRAC Survey
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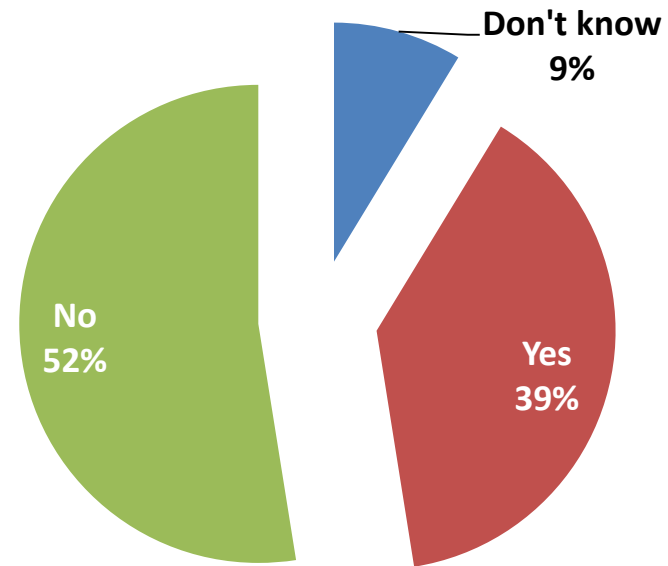
Appeals

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, 2nd Quarter 2012

Reversed Denials by RAC Region

	Yes	No	Don't Know
Region A	50%	40%	10%
Region B	42%	51%	7%
Region C	31%	59%	10%
Region D	38%	55%	7%



*The discussion period is intended to be a tool that hospitals may use to reverse denials and avoid the formal Medicare appeals process. 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.*



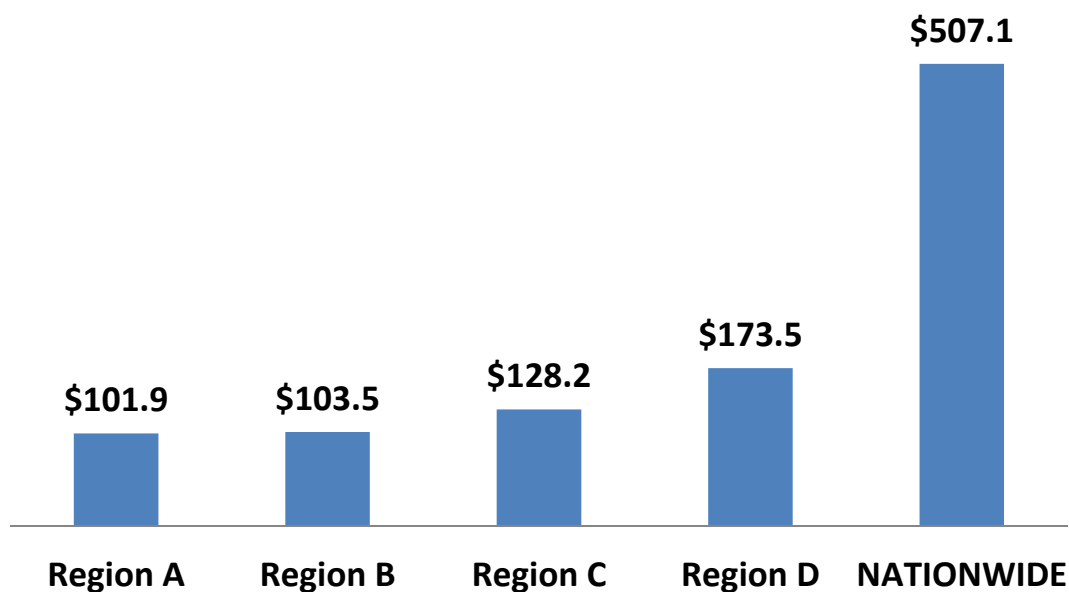
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The value of appealed claims exceeds a half a billion dollars. On average, hospitals report appealing 118 claims.

Total Dollar Value, Percent and Average Number of Appealed Claims for Hospitals with Automated or Complex RAC Denials, through 2nd Quarter 2012, Millions

	Percent of Hospitals with Any Appealed Denials	Average Number of Appealed Denials per Hospital
NATIONWIDE	86%	118
Region A	83%	134
Region B	92%	79
Region C	86%	111
Region D	83%	163

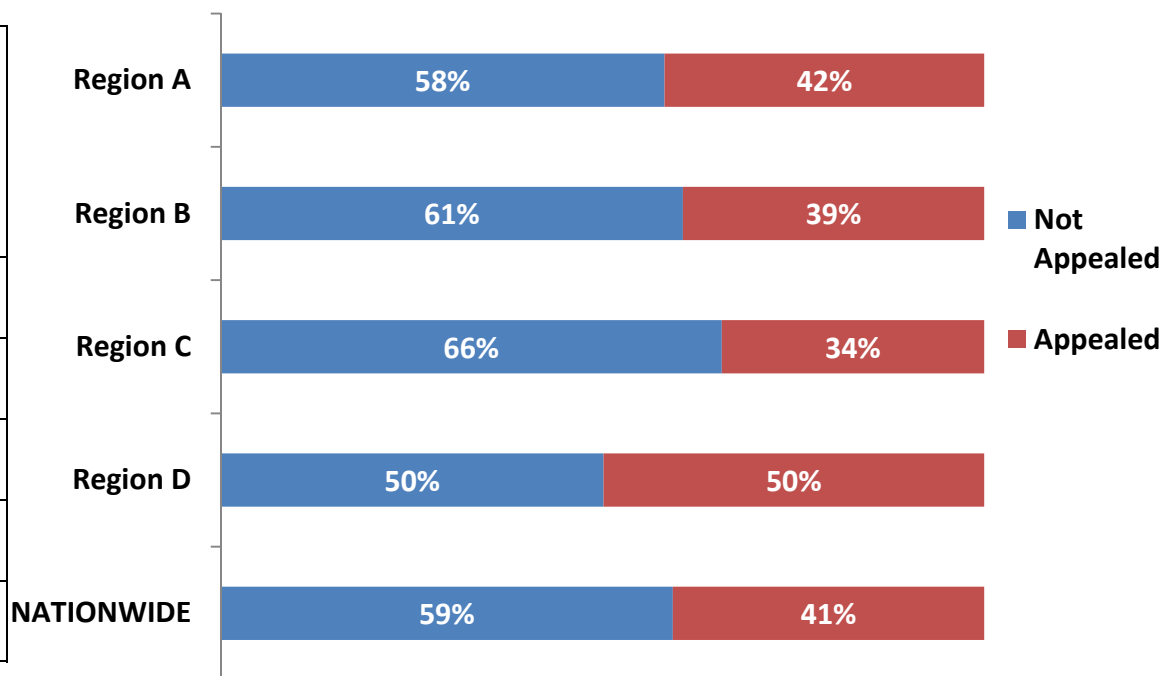


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Nationwide hospitals report appealing more than 40% of all denials. In Region D, half have been appealed.

Total Number and Percent of Automated and Complex Denials Appealed by Hospitals with Automated or Complex RAC Denials, by Region, through 2nd Quarter 2012

	Total Number of Denials Available* for Appeal	Total Number of Denials Appealed
NATIONWIDE	216,742	88,410
Region A	44,769	18,750
Region B	43,406	17,133
Region C	74,866	25,741
Region D	53,701	26,786



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

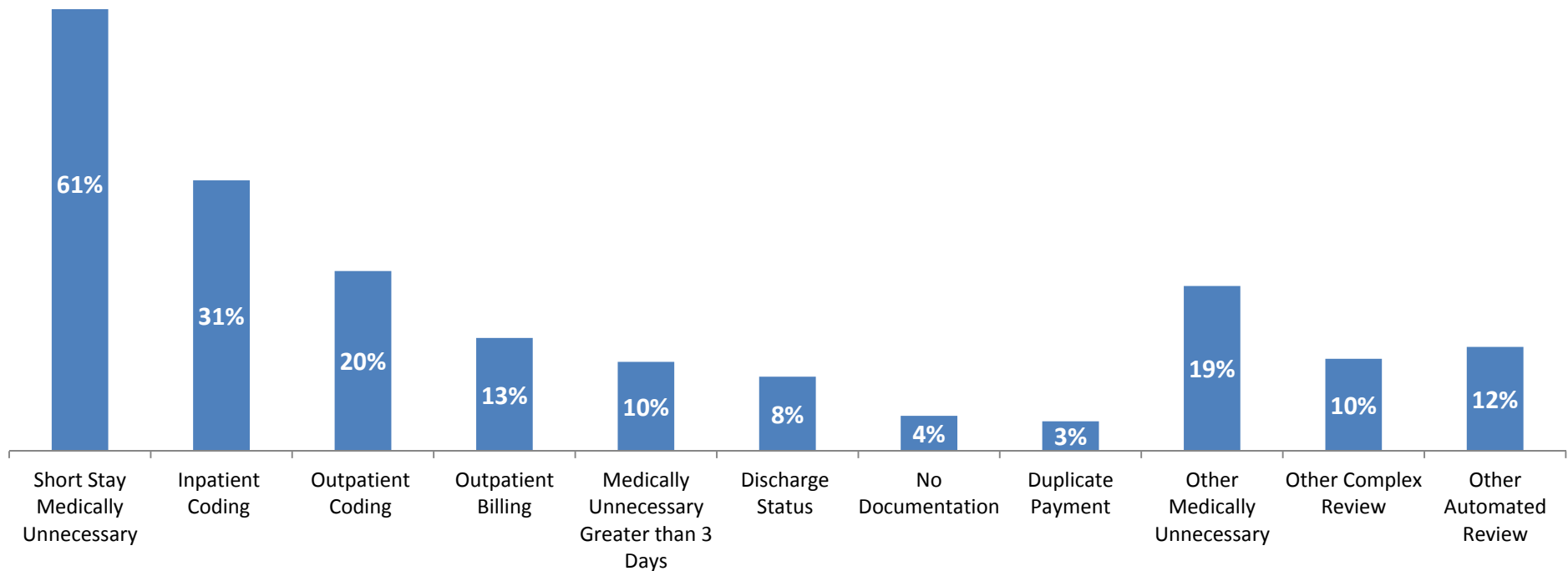
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Nearly two-thirds of all hospitals filing a RAC appeal during the 2nd Quarter of 2012 reported appealing short stay medically unnecessary denials.

Percent of Participating Medical/Surgical Acute Hospitals Reporting RAC Appeals by Denial Reason, 2nd Quarter 2012

Survey participants were asked to select all reasons for denial.



Source: AHA. (August 2012). RACTRAC Survey

AHA analysis of survey data collected from 2,266 hospitals: 1,906 reporting activity, 360 reporting no activity through August 2012. 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, 75% were overturned in favor of the provider.

Summary of Appeal Rate and Determinations in Favor of the Provider, for Hospitals with Automated or Complex RAC Denials, through 2nd Quarter 2012

	Number of Claims Appealed	Percent of Denials Appealed	Number of Claims Pending Appeals Determination	Number of Claims Withdrawn from Appeals Process	Number of Denials Overturned in the Appeals Process	Percent of Appealed Denials Overturned (as a Percent of Overturned or Withdrawn claims)
NATIONWIDE	77,243	41%	55,111	5055	15,147	75%
Region A*	7,583	42%	5,914	487	1,182	71%
Region B	17,133	39%	10,002	1142	5,890	84%
Region C	25,741	34%	18,613	1395	4,413	76%
Region D	26,786	50%	20,582	2031	3,662	64%

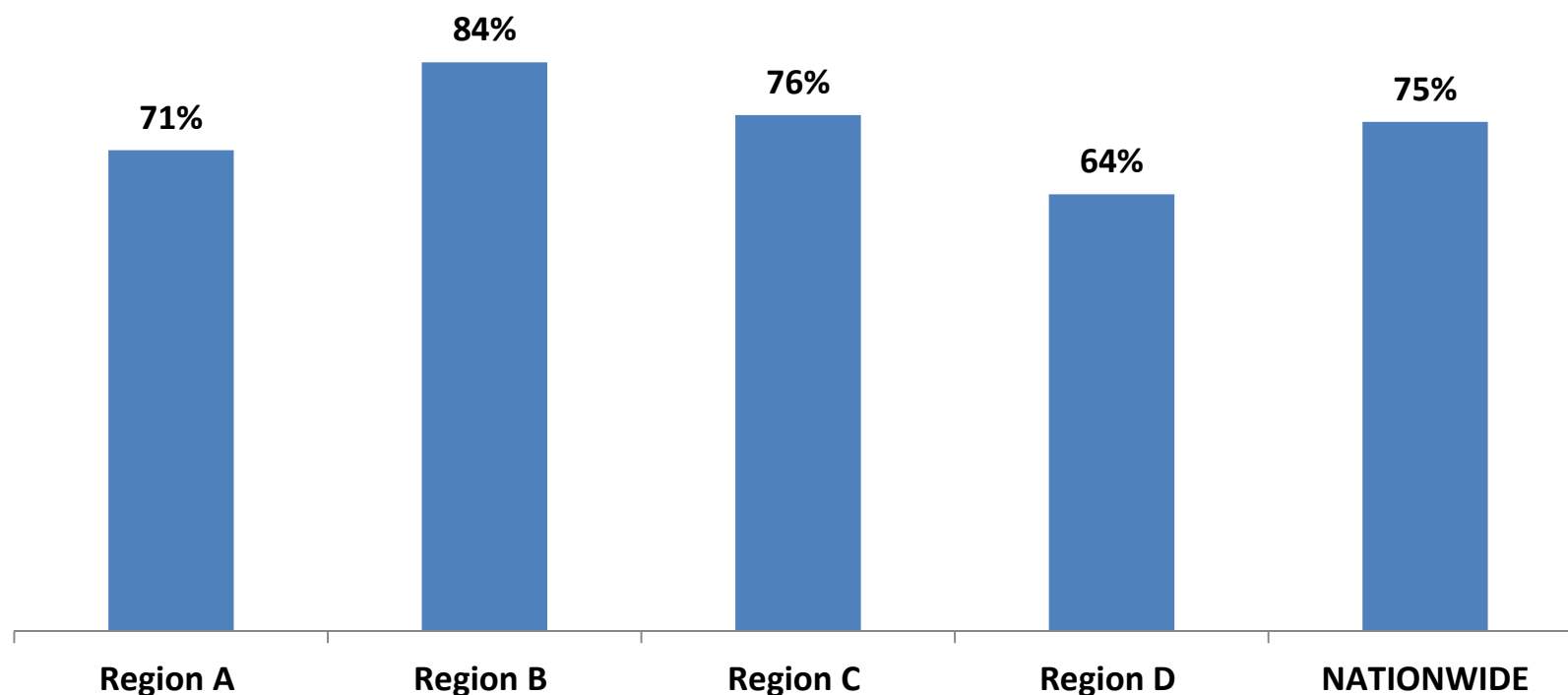
* Survey submission error stemming from a problem with a RACTRAC compatible vendor's tool required the exclusion of some appeals data in Region A. If you have questions or would like to find out if your data was excluded, contact RACTRAC Support: 1-888-722-8712 or ractracsupport@providercs.com



Source: AHA. (August 2012). RACTRAC Survey
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When hospitals choose to appeal, they win 75% of the time. Region B has the highest overturn rate upon appeal at 84%.

Percent of Completed Appeals with Denials Overturned for Participating Hospitals, by Region, through 2nd Quarter 2012



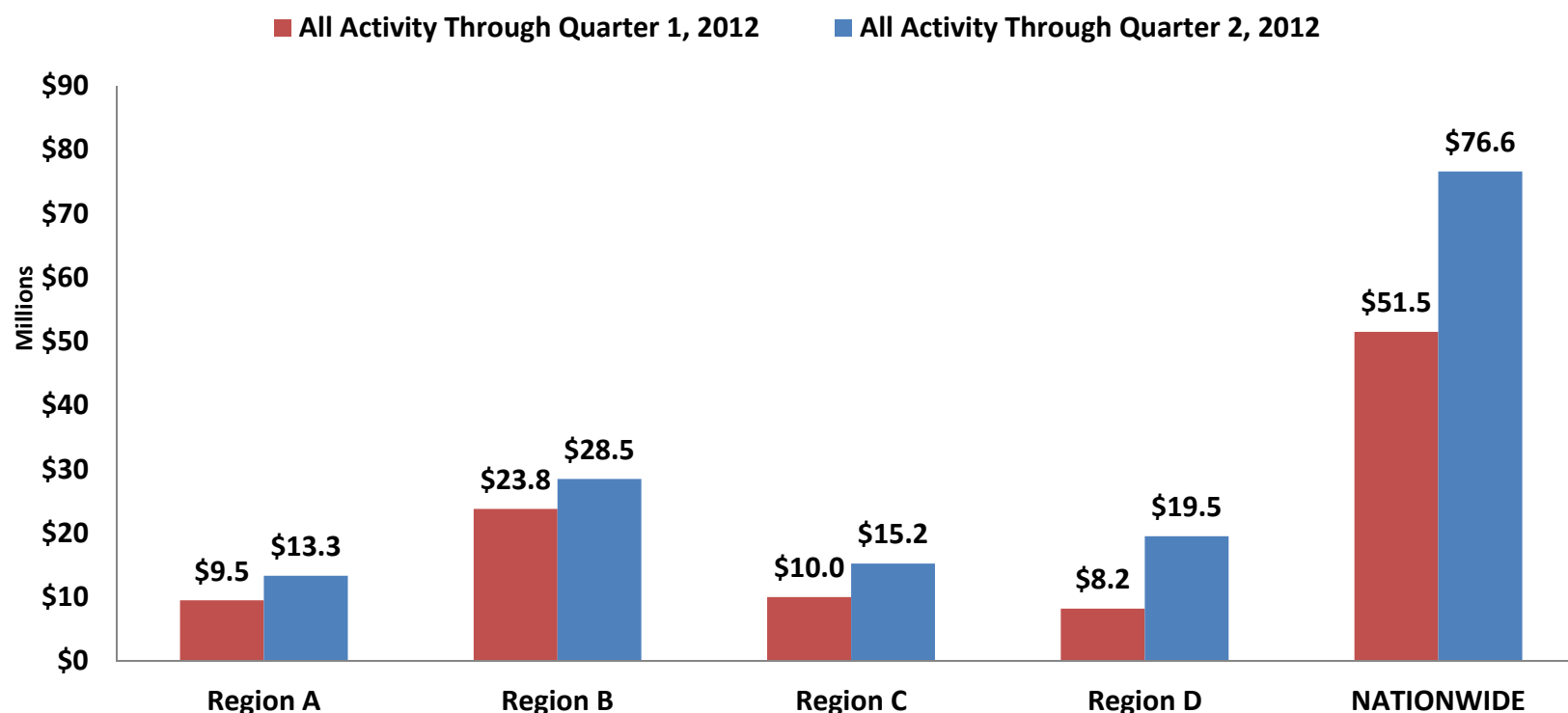
Survey submission error stemming from a problem with a RACTRAC compatible vendor's tool required the exclusion of some appeals data in Region A. If you have questions or would like to find out if your data was excluded, contact RACTRAC Support: 1-888-722-8712 or ractracsupport@providercs.com



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Hospitals reported a total of \$76.6 million in overturned denials up nearly 50 percent versus last quarter.

Value of Denials Overturned in the Appeals Process, by Region, through 1st versus 2nd Quarter 2012, Millions



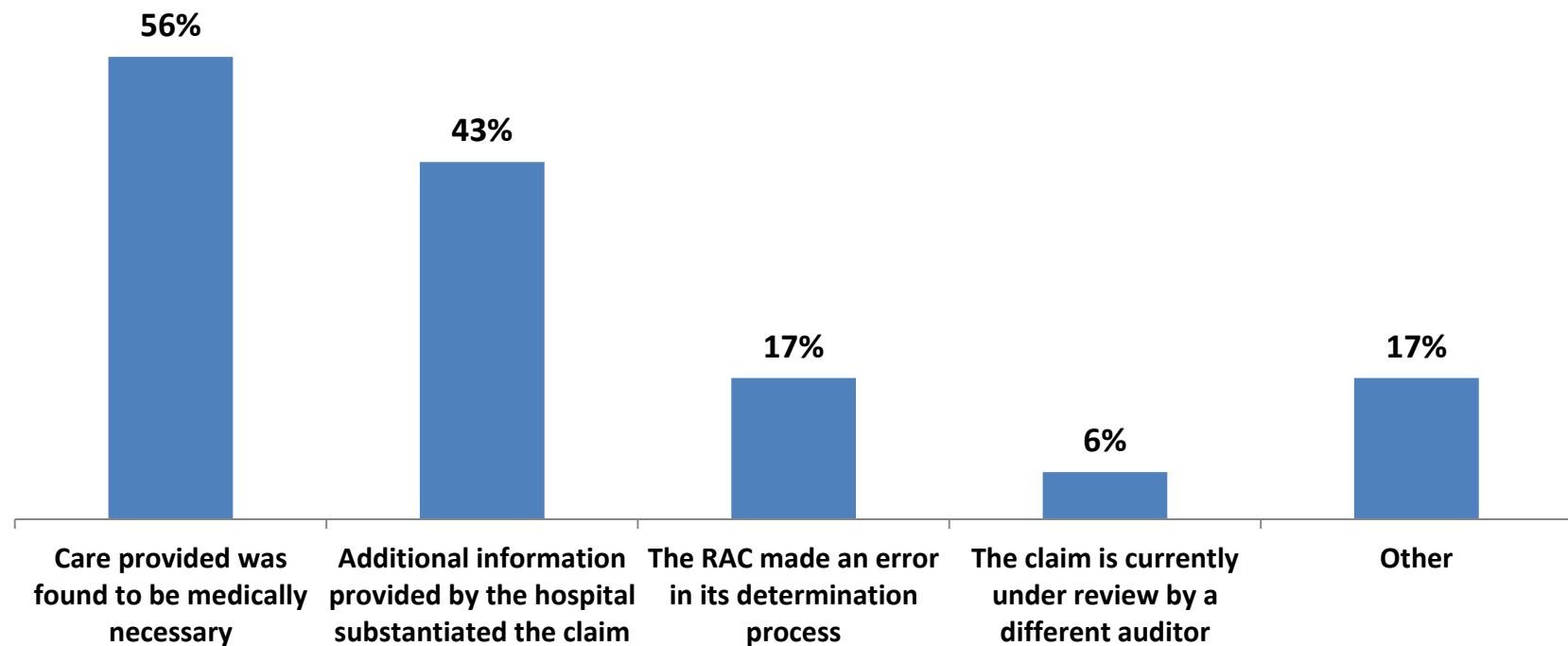
Source: AHA. (August 2012). RACTRAC Survey

AHA analysis of survey data collected from 2,266 hospitals: 1,906 reporting activity, 360 reporting no activity through August 2012. 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 half of all hospitals with a RAC denial overturned had a denial overturned because the care was found to be medically necessary.

Percent of Participating Hospitals That Had a Denial Overturned by Reason, 2nd Quarter 2012

Survey participants were asked to select all reasons for appeal overturn.



Source: AHA. (August 2012). RACTRAC Survey

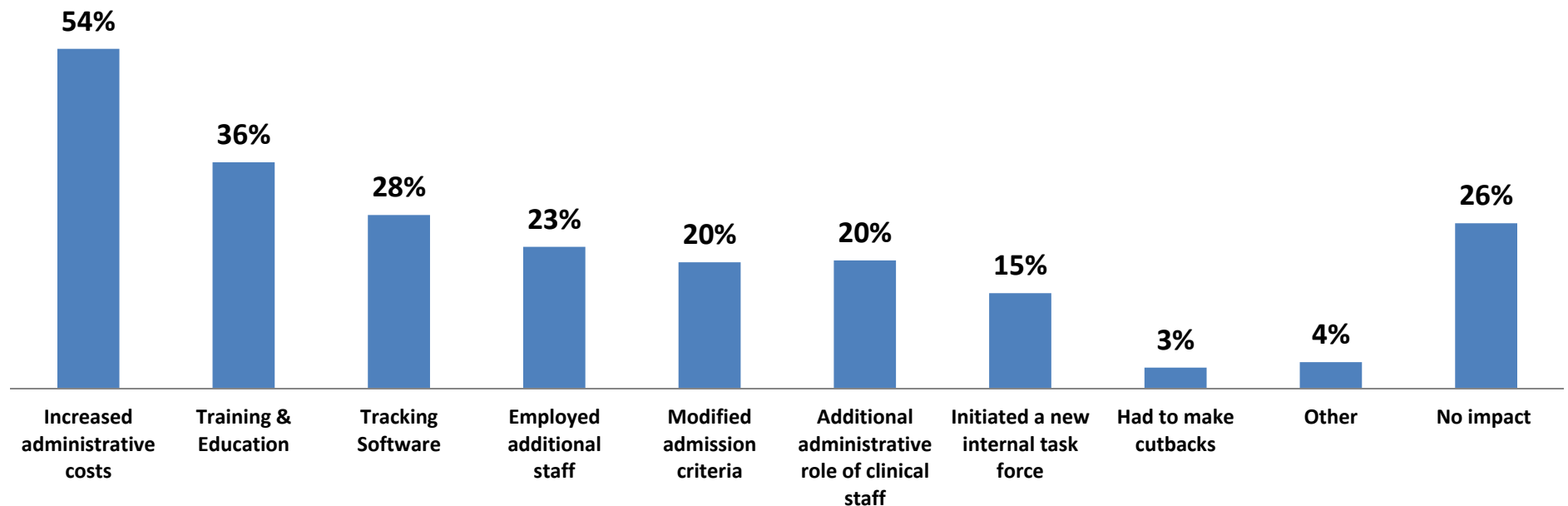
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Administrative Burden

74% of participating hospitals reported that RAC impacted their organization this quarter and 54% reported increased administrative costs.

Impact of RAC on Participating Hospitals* by Type of Impact, 2nd Quarter 2012



* Includes participating hospitals with and without RAC activity

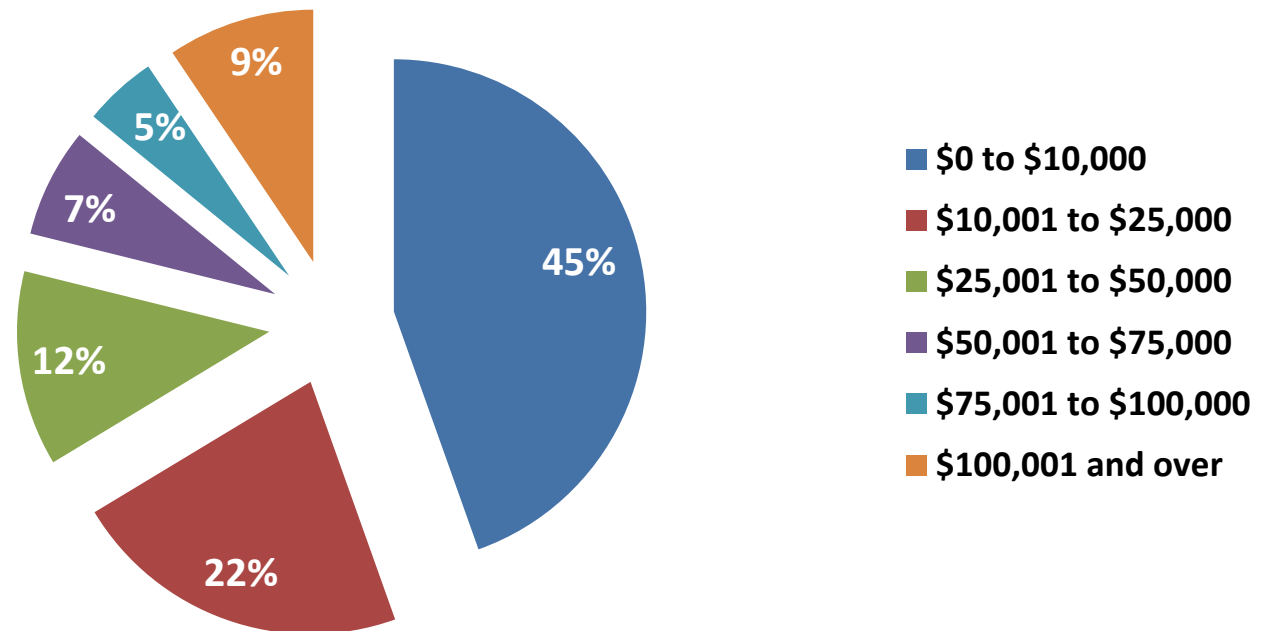
Source: AHA. (August 2012). RACTRAC Survey

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55% of all hospitals reported spending more than \$10,000 managing the RAC process during the second quarter of 2012, 33% spent more than \$25,000 and 9% spent over \$100,000.

Percent of Participating Hospitals* Reporting Average Cost dealing with the RAC Program, 2nd Quarter 2012



* Includes participating hospitals with and without RAC activity

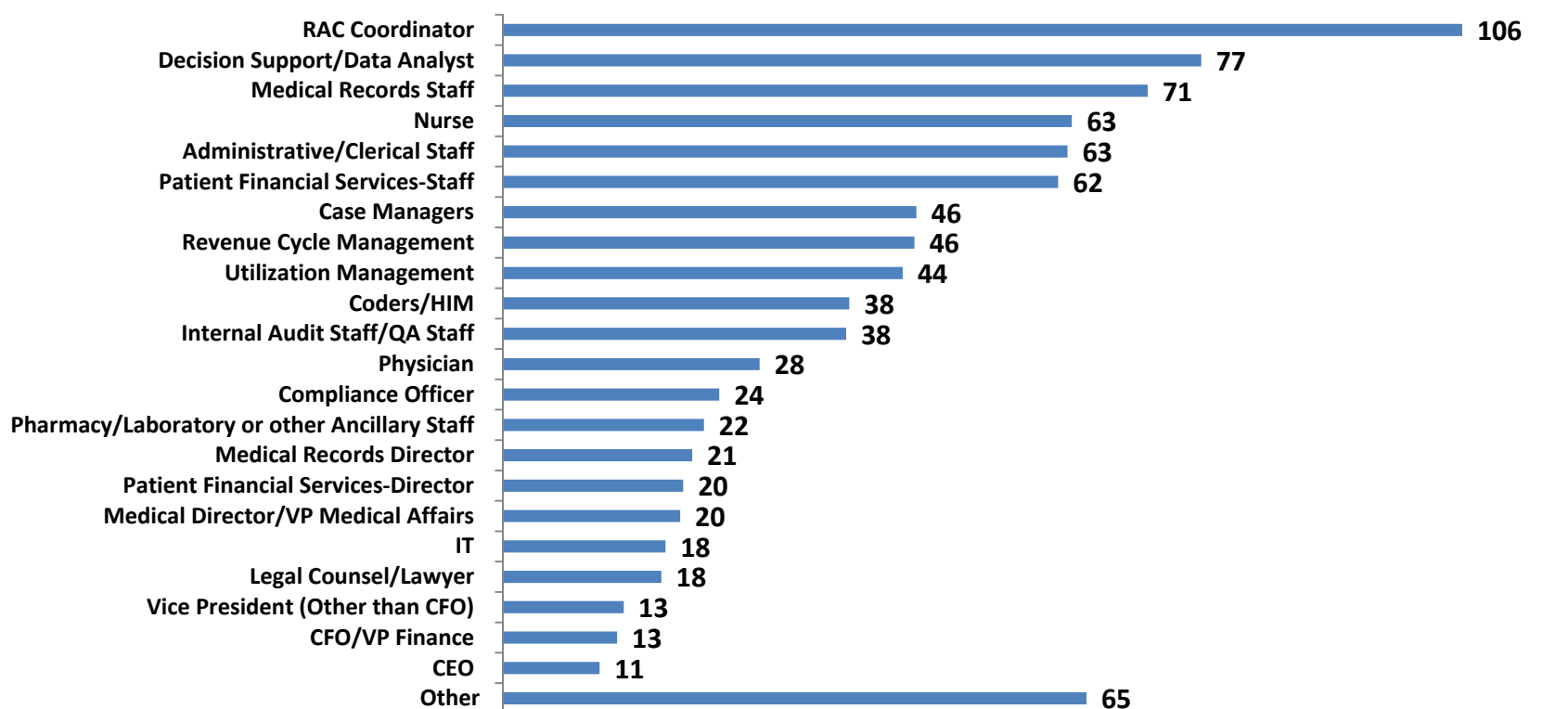
Source: AHA. (August 2012). RACTRAC Survey

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Hospital staff spend hundreds of hours responding to RAC activity.

Average Hours of Staff Time Spent Per Participating Hospital* on RAC by Staff Type, 2nd Quarter 2012



* Includes participating hospitals with and without RAC activity

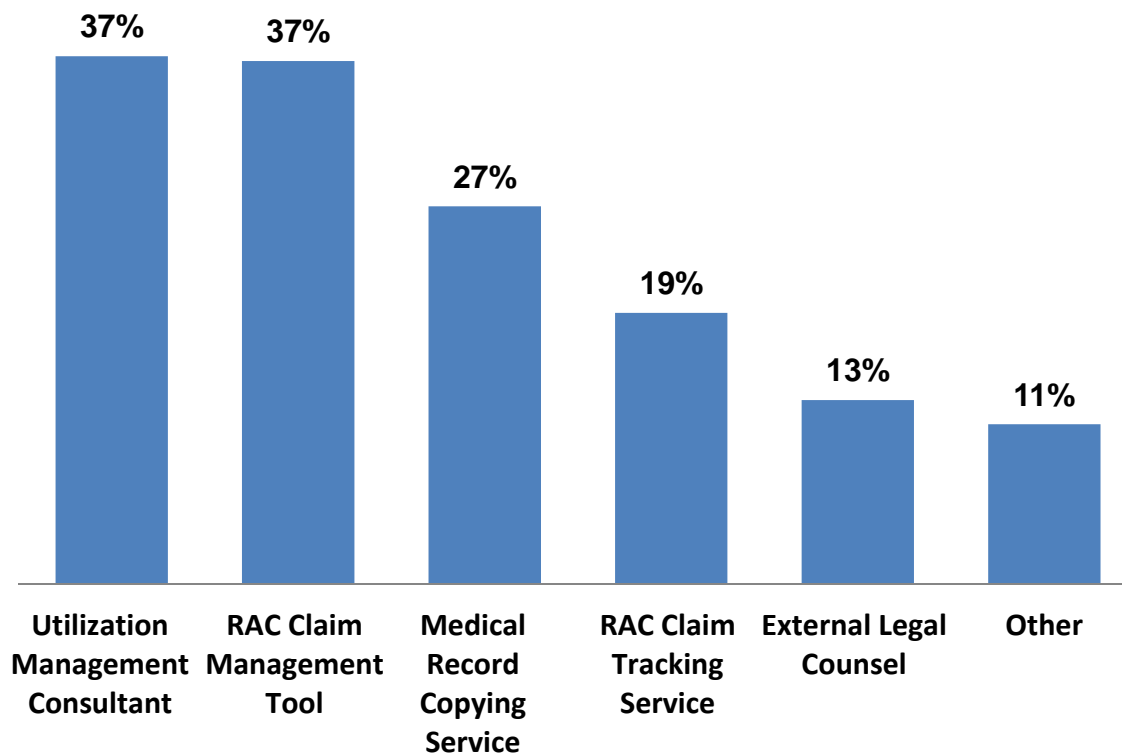
Source: AHA. (August 2012). RAC^{TRAC} Survey

AHA analysis of survey data collected from 2,266 hospitals: 1,906 reporting activity, 360 reporting no activity through August 2012. 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.



Many hospitals report spending on external resources such as outside consultants to deal with the RAC process.

Percent of Participating Hospitals* that Use External Resources by Type and Average Dollars Spent *this quarter*, 2nd Quarter 2012



Administrative Burden	Average Dollar Amount This Quarter
Utilization Management Consultant	\$ 37,577
External Legal Counsel	\$ 24,064
RAC Claim Management Tool	\$ 8,407
RAC Claim Tracking Service	\$ 8,113
Medical Record Copying Service	\$ 3,529
Other	\$ 28,153

* Includes participating hospitals with and without RAC activity. Average dollars spent and percentages reflect only those hospitals that reported utilizing external resources.

Source: AHA. (August 2012). RAC TRAC Survey

AHA analysis of survey data collected from 2,266 hospitals: 1,906 reporting activity, 360 reporting no activity through August 2012. 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.



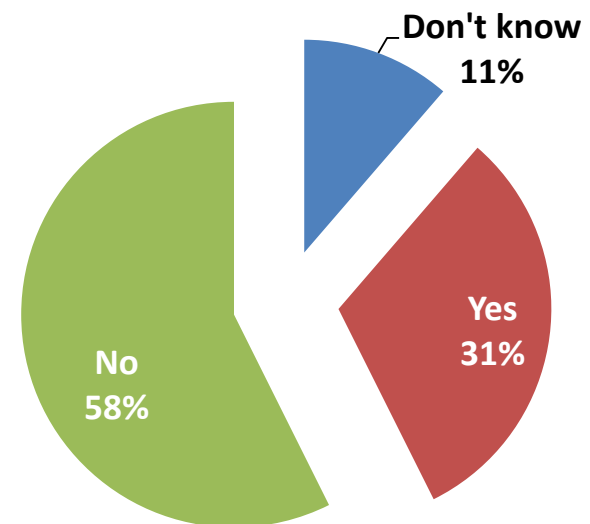
58% of respondents indicated they have yet to receive any education related to avoiding payment errors from CMS or its contractors.

Percent of Participating Hospitals Reporting they Received Education from CMS or its Contractors, National and by Region, through 2nd Quarter 2012

Reported Education by RAC Region

	Yes	No	Don't Know
Region A	31%	57%	12%
Region B	24%	64%	12%
Region C	38%	53%	9%
Region D	30%	56%	14%

National Reporting



* Includes participating hospitals with and without RAC activity



Source: AHA. (August 2012). RACTRAC Survey
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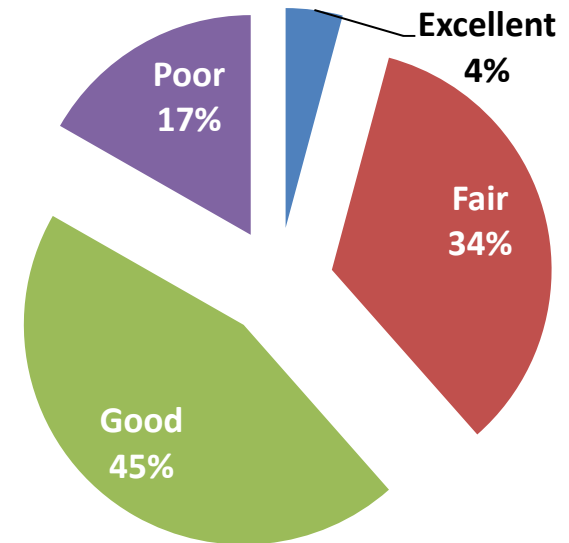
For those receiving education, the perceived quality varies by region with Region B performing the worst.

Percent of Participating Hospitals Reporting the Effectiveness of Received Education from CMS or its Contractors, National and by Region, through 2nd Quarter 2012

Reported Effectiveness of Education by RAC Region

	Excellent	Good	Fair	Poor
Region A	2%	66%	30%	4%
Region B	4%	27%	50%	19%
Region C	1%	40%	39%	20%
Region D	12%	35%	31%	22%

National Reporting



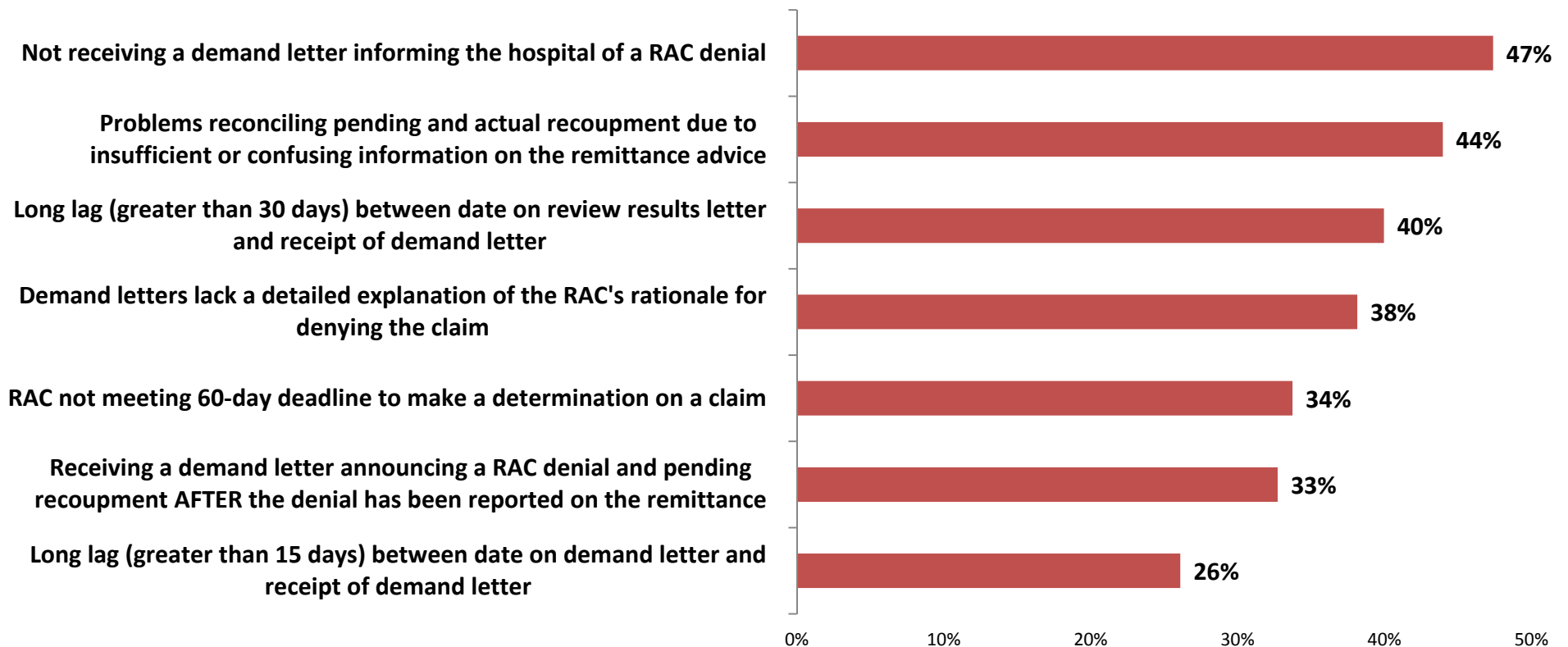
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The most frequently cited RAC process problem is 'not receiving a demand letter.'

Percent of Participating Hospitals Reporting RAC Process Issues, by Issue, 2nd Quarter 2012



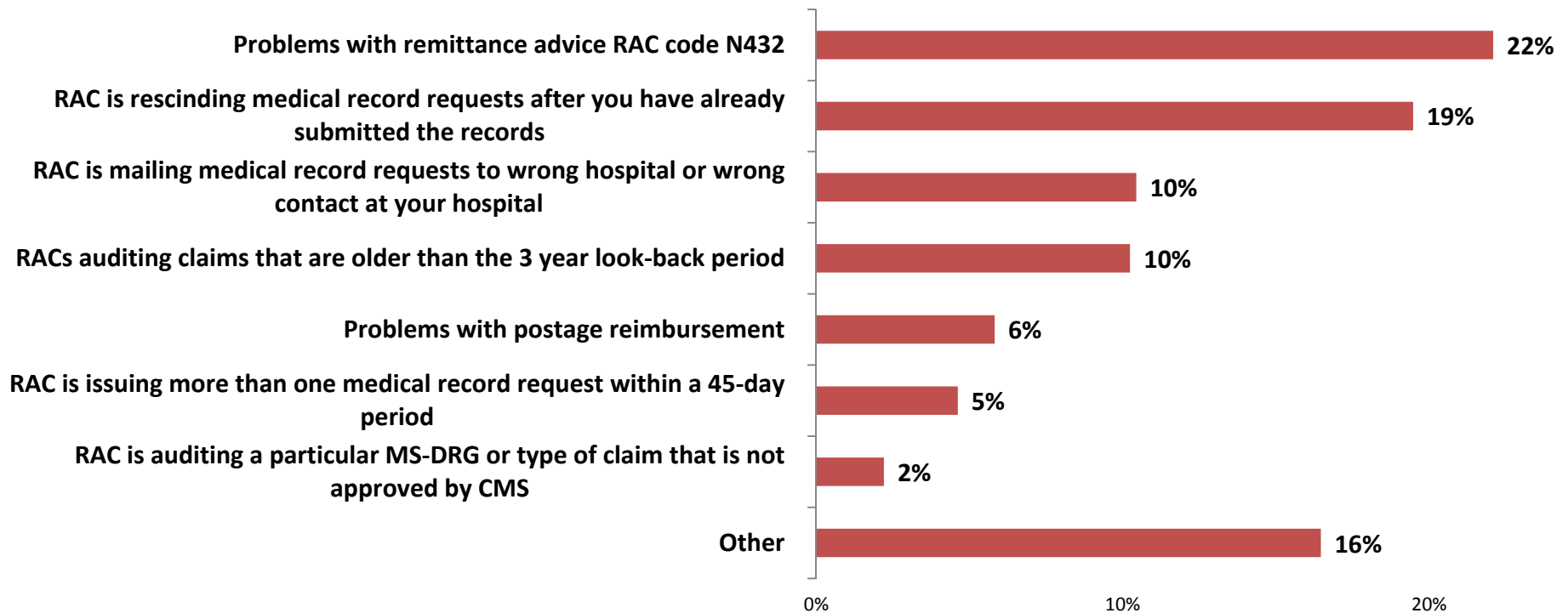
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Source: AHA. (August 2012). RAC TRAC Survey
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Hospitals continue to report that RACs are rescinding medical record requests after the hospital has already submitted the records.

Percent of Participating Hospitals Reporting RAC Process Issues, by Issue, 2nd Quarter 2012



* Includes participating hospitals with and without RAC activity

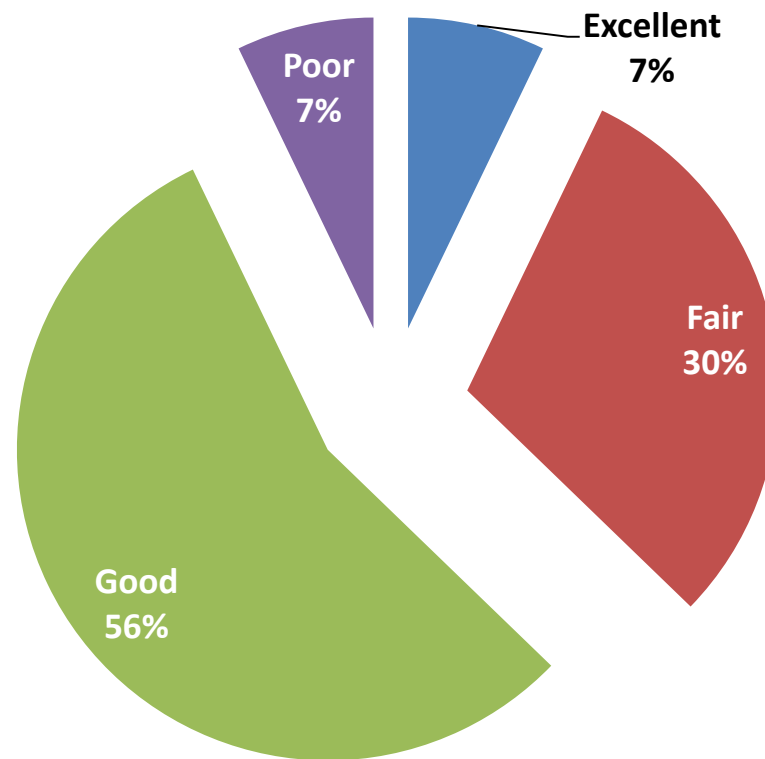
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The majority of hospital respondents indicated RAC responsiveness and overall communication was “fair” or “good.”

Participating Hospitals Rating of RAC Responsiveness and Overall Communication, 2nd Quarter 2012



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Participating hospitals rated RAC responsiveness and communication lowest in region B.

Participating Hospital Rating of RAC Responsiveness and Overall Communication, by Region, 2nd Quarter 2012

	Excellent	Good	Fair	Poor
Region A	14%	65%	17%	4%
Region B	4%	52%	33%	11%
Region C	5%	59%	30%	6%
Region D	8%	46%	39%	7%

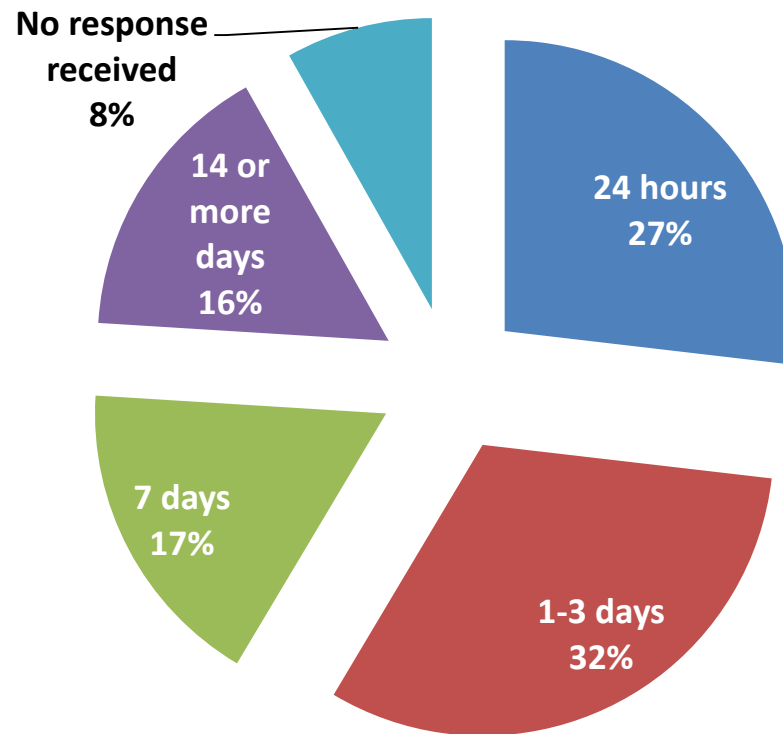


Source: AHA. (August 2012). RAC TRAC Survey

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The average wait time for a RAC response varied significantly, with nearly a quarter of hospitals reporting they did not receive a response from their RAC for more than 2 weeks.

Average Number of Days it Took RACs to Respond to Hospital Inquiries for Participating Hospitals, 2nd Quarter 2012



Source: AHA. (August 2012). RACTRAC Survey

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RAC response time varied by region.

Average Number of Days For RACs to Respond to Hospital Inquiries for Participating Hospitals, by Region, 2nd Quarter 2012

	24 hours	1-3 days	7 days	14 or more days	No Response Received
Region A	44%	27%	15%	9%	5%
Region B	6%	29%	31%	25%	9%
Region C	36%	34%	10%	12%	8%
Region D	23%	35%	14%	17%	11%



Source: AHA. (August 2012). RACTRAC Survey

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October 2012 RACTrac Data Collection Period

- Contact **RACTrac Support** if you do not have your RACTrac registration information:
Ractracsupport@providercs.com or 1-888-722-8712
- RACTrac will collect data October 1 through October 15
- RACTrac will open at the beginning of each subsequent quarter to collect data on RAC activity experienced in the through the previous quarter





For more information visit AHA's RAC *TRAC* website:

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