

RAC News UPDATE

February 19, 2015

AHA urges CMS to propose solutions for hospital short stays in FY 2016 IPPS rule

The AHA Feb. 13 urged the Centers for Medicare & Medicaid Services to offer potential payment solutions for hospital stays of less than two-midnights in its proposed rule for the fiscal year 2016 inpatient prospective payment system. Meanwhile, AHA asked the agency to extend the partial enforcement delay of the “two-midnight” policy, and repeal an “unlawful” 0.2% reduction to the standardized amount that was implemented in FY 2014. In addition, AHA shared potential short-stay policy approaches to inform the agency’s work related to potential SSP solutions, and urged CMS to undertake comprehensive reform of the Recovery Audit Contractor program. “RAC reform should go hand-in-hand with an SSP solution; without such changes, implementation of the two-midnight policy will continue to be problematic,” [wrote](#) Linda Fishman, AHA senior vice president for public policy analysis and development. “However, changes to the RAC program can be made – and are made – independently from the two-midnight policy. While we appreciate the changes to the RAC program that the agency made on Dec. 30, 2014, these modifications are modest at best. We believe that additional, more significant reforms are necessary – such as realigning the financial incentives that drive RACs to deny claims inappropriately and excessively – to address the systemic issues that have resulted in tremendous burden on hospitals and the appeals process.”

CMS to review changes to RAC program on Feb. 24 call

As part of the Centers for Medicare & Medicaid Services’ Feb. 24 “Open Door Forum,” agency officials are expected to discuss [changes](#) to the Recovery Audit Contractor program that were originally announced late last year. The call will take place at 2 p.m. ET, and the agency encourages those who wish to participate to dial in at least 15 minutes before the start of the call. To participate in the call, dial 1-800-837-1935 and reference conference ID: 12540136. A recording will be available two hours after the call concludes. It can be accessed by dialing 1-855-859-2056 and using conference ID: 12540136.