

Report on Medicare Compliance Volume 28, Number 29. August 19, 2019 RACs Are Poised to Link Physician Recoupment to Inpatient Denials

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About five years after CMS cleared the way for Medicare auditors to recoup surgeons' reimbursement when the claim for the corresponding inpatient procedure is denied, recovery audit contractors (RACs) are taking steps in that direction. CMS on Aug. 6 put the Part A/Part B one-two punch on the list of proposed RAC audits, but only for medically unnecessary endomyocardial biopsies and right heart catheterizations (RHCs) billed as separate procedures, which had a high error rate in a 2017 audit by the HHS Office of Inspector General.

CMS introduced the notion of broadly linking physician and hospital denials in 2014. RACs, Medicare administrative contractors (MACs) and zone program integrity contractors were invited to recoup physician Part B reimbursement when related Part A claims were denied. Hospitals welcomed the move because physicians would finally have skin in the game, which should give hospitals more leverage in their drive to improve compliance with Medicare documentation requirements.

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