



**Responding to a Payer's Request for Documentation**  
*A Family Physician's Guide to Surviving a Third Party Audit*

Being audited by a payer is not the end of the world – although it may seem that way at the time. How well you fare will depend on how well you are prepared and how well you respond to the request for medical record documentation. Use this guide to not only prepare, but respond to any request for medical records, including Medicare Recovery Audit Contractors.

**Preparing:**

The best way to prepare for any eventual audit is to conduct your practice as much as possible in accordance with all applicable rules governing reimbursement. Here are some suggestions:

- **Void coding errors.** Make sure that your current procedural terminology (CPT) codes accurately describe the services you provide in your practice, and that your diagnosis codes (ICD-9) justify those services. Diagnosis codes must be consistent with service codes and support medical necessity
- **Take the time to document things.** Write, dictate or use your EHR to document what you do when treating patients and why you do it. If you don't document the information in the medical record our best arguments will be of little help during an audit. When documenting, be precise and explicit. For example, don't leave it to auditors to infer why you ordered certain tests.
- **Develop and implement a voluntary compliance program.** Following an effective compliance program is the best way to reduce the risk that may result from being audited. Having a program in place demonstrates your good-faith efforts to comply with the rules, a factor that will be taken into account in the event of an audit.

**Responding:**

If you have been selected for an audit, it really doesn't matter how or why you've been picked. Complaining about the unfairness of being subjected to an audit is unproductive. All that matters is being able to document and defend what you have done. The best way to defend yourself is to be honest and forthright. You want to demonstrate that everything you did was medically necessary, documented in the patients' records and appropriately coded on the claims that were submitted.

Think about adopting this approach:

- Accept that third parties have the right to audit your practice. Also accept that you have an obligation to make sure your claims are accurate.
- Take control of the situation. Keep records of all contracts with the auditor, and make sure your staff notifies you about all requests for information. Designate someone in your practice to be the main contact with any auditor.
- Gather and copy the records requested by the auditor. Review the entire patient chart for all records that relate to the procedure or service being audited. Where relevant, be sure to include referrals from other physicians, diagnostic tests and reports, operative reports and any other entries in the record that relate to the service or procedure being audited. Check for errors in photocopying.

- Do not alter medical records under any circumstances... Don't allow members of your staff to do so either.
- Send your records by a secure delivery system with return receipt requested, so you know they arrived safely
- Ask the auditor when you should expect to hear the results – **one way or the other**. You want to be notified whether the results are positive or negative.

### **Responding to Recovery Audit Contractors (RAC):**

The following are a few tips to help a practice minimize the potential impact of a RAC review on your practice:

1. **Be Informed:** Educate your entire staff, including anyone who provides or participates in patient care, about RAC. This includes all practice providers, office/practice managers, compliance, billing, coding, and reception area personnel. Prepare yourself and your practice by reviewing the Centers for Medicare and Medicaid Services' (CMS) website regarding the RAC program: [www.cms.hhs.gov/RAC](http://www.cms.hhs.gov/RAC)
2. **Use The Web to Get Started:** At the CMS website listed above, you will learn who the RAC contractor is for your area, which is based on geographic region and what the web address is for that organization. This is important to know, so you will recognize the organization if you receive a letter requesting records. The website also explains how many records the RAC can pull for your practice size, how far back they may review records, how often they may make a record or audit request, and what specific issues the RAC in your region will be auditing.
3. **The RAC is Required to Choose a Specific Billing Issue to Audit:** The RAC must request approval from CMS to audit specific issues. You will find this information posted on the contractor's website. The contractors may select areas and issues to audit based on selection by software, review of Medicare rules and regulations, as well as knowledge of auditors. With web-based claims submissions and portals, many audits may be conducted securely through the web. It is the decision of the RAC whether to conduct the audit onsite or electronically. The decision may be based on volume and/or scope of the audit. Utilization criteria for the audit, such as LCD, ICD-9 codes, etc. also will be posted on the contractor website for RAC. Make sure that all supporting documentation is given to the RAC at the time of the audit.
4. **Know How to Respond to a Request for Overpayment:** Contractors may request money back if an overpayment has been identified. You should carefully review the findings, which typically are sent to you within 60 days of the records being received by the RAC. Go over the results line by line, and contact the RAC with any questions. The RAC website will guide you through the steps you need to take. If you agree with the RAC findings, you can pay the money back, allow the money to be recouped from future payments, or request or apply for a payment plans. You also may appeal. You will have options – explore them!
5. **Consider the Appeals Process:** Be sure you understand the audit and/or enlist the help of credible resources to assist you with the appeal of the audit findings overpayment. Always follow the instructions to appeal given by the RAC. Responses to audit findings do not need to be lengthy. Instead, they should be accurate and to the point – this is critical. Do not simply supply the same information the RAC already has if you are challenging the audit. State our issues clearly and submit pertinent information only. It is important to leave emotion out of your appeal. Adhere to time limitations for appealing the audit findings; do not exceed your appeal deadline. If an extension is needed, ask and make sure the request is reasonable and well-documented. Always document your appeal, and address letters to a specific contact person, not a general address. A certified, return-receipt request is best.
6. **Document Where You Obtained Information That Supports Your Billing, Coding or Documentation Protocols:** Always document who you talked to and when – whether it is with a RAC, health plan, coding or documentation source. Keep a file with original source information that supports your practice standards and protocols. Use forums carefully, and request and rely on original source information only. Information obtained on a forum is typically the opinion of the person posting and may not necessarily be accurate. Industry

forums can be very helpful when utilized properly. If you appeal the audit, it will be important to have credible information that supports your position. Make sure you keep your files current. Submitting old or outdated information is not going to get you very far in any appeal.

- 7. Always Stay Compliant With HIPAA:** If auditors show up, instruct staff to ask for identification. Never release confidential records unless you know the person has the right to review the records. Watch the date span, and provide only the information required to be complaint with the request for records. Send records securely, either electronically or by other secure methods. Review HIPAA rules and regulations when in doubt.
- 8. Get Help If you Need It:** If you are overwhelmed by an audit, get some help early on. This may be in the form of a professional medical auditor, a professional coder, or a legal professional. Issues can be simpler than you may be initially aware of if you have someone reviewing your practice that truly understands and has expertise in this area. It is not necessary to escalate simple situations that can be resolved by engaging when you need to. Remember, experts can give you unbiased audit support and save you time, worry, and frustration in your practice that could be spent providing patient care and continuing revenue flow. Do not forget to learn from this experience. Consider the value of continued education in the areas of practice management, coding, and billing. Staying current can save you in the long-run and help ensure a smoother audit process. As rules change, continued training becomes critical to ensuring all rules and regulations are followed.

**Remember:**

Private health insurers or Commercial Carriers can conduct audits and fraud investigations, just as our Government plans can. While these payers have the right to collect on incorrectly paid funds, they lack the authority of a government investigation. Check your payer contracts to see what authority they actually have in this arena before you respond to an audit notification from them.