


<b>Physicians' Billing Office</b>		
<b>SECTION:</b>	COMPLIANCE	POLICY NUMBER: C604.1
<b>POLICY TITLE:</b>	<b>Recovery Audit Contractor (RAC) Refund Requests</b>	PAGE: 1 of 2
<b>APPROVALS:</b> FPG B&F Committee:	PBO: 11/01/10	ISSUED: 08/25/2010 EFFECTIVE: 11/01/2010
<b>SUPERSEDES: C604</b>		

**PURPOSE:**


1. To ensure **compliance** with regulatory statutes (Tax Relief and Healthcare Act of 2006, section 302, requiring a permanent nationwide RAC program) enabling independent CMS contractors to demand refunds for overpayments issued to providers by regional fiscal intermediaries (FI) or Medicare Administrative Contractors (MAC).
2. To improve the **efficiency** of PBO billing and collections operations by establishing standard procedures around processing RAC demand letters.
3. To optimize **revenue** by submitting timely appeals and/or corrected claims to retain all, or a portion of disputed overpayments.
4. To support continuous revenue cycle **quality** improvement.
5. To maintain a fair **provider compensation** model based on billable and reimbursable services only.
6. To safeguard UCLA FPG **accounts receivable** from improper recoupment for previously paid claims by Medicare program.

**POLICY:**

1. It is the policy of FPG PBO to process CMS Recovery Audit Contractor (RAC) overpayment demand letters, review provider claims and supporting documentation to determine rebuttal opportunities and submit formal appeals and/or corrected claims to CMS within appeal timeframes established by the program.  
  
*(For medical record request timelines and escalation process refer to FPG PBO policy D103).*
2. PBO will regularly monitor CMS approved RAC claim edit inventory and take pro-active measures to enhance PBO pre-billing claim editor to detect and modify claim components consistent with CMS policies (LCDs, NCDs, CMS manual) prior to billing claims to the federal program.
3. PBO will provide regular feedback to FPG departments on RAC audits, including new trends, appeals/outcome and revenue impact based on final CMS determination.

**POLICY CROSS REFERENCES:**

Policy D103 – Medical Record Requests

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**APPLICABILITY:**

This policy applies only to FPG PBO Customers. UCLA FPG provider entities billing for healthcare services outside PBO are not covered by this policy.

**COGNIZANT OFFICE:**

For interpretations of this policy, resolution of problems and special situations, contact:

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 Director of Physicians' Billing Office  
[gbarba@mednet.ucla.edu](mailto:gbarba@mednet.ucla.edu)

**POLICY AUTHORITY:**

UCLA Faculty Practice Group

**REVISION HISTORY:**

Original Policy issued: 08/25/2010

Revisions: 11/01/2010

**REFERENCES:**

- Section 302 of the Tax Relief and Health Care Act of 2006
- CMS provider's manual
- [www.racinfo.com](http://www.racinfo.com) HealthDataInsights, Region D CMS Recovery Audit Contractor