General Providers

Recovery Audit Contractor

On December 8, 2010, Kansas Health Policy Authority announced that it had awarded its Recovery Audit Contractor (RAC) contract to Health Data Insights, Inc (HDI). The RAC program is a required program under § 6411 of the Patient Protection and Affordable Care Act (PPACA). HDI will be looking for overpayments and underpayments. The following pages contain a list of Frequently Asked Questions. More information will be coming out in the near future, including a link to HDI’s provider portal which allows providers to track audits and change HDI’s point of contact for record requests.

Information about the KHPA Medical Plans as well as provider manuals and other publications are available at https://www.kmap-state-ks.us.

If you have any questions, please contact Customer Service at 1-800-933-6593 (in-state providers) or 785-274-5990 from 8:00 a.m. until 5:00 p.m., Monday through Friday.

HP Enterprise Services is the fiscal agent and administrator of the KHPA Medical Plans.
Recovery Audit Contractor (RAC) Frequently Asked Questions

What are the different types of letters that my facility will receive related to improper payments?
The letters the RACs will send vary by whether it has identified an improper payment by automated or complex review. For automated reviews, providers will receive a demand letter. For complex reviews, providers will receive a medical record request letter and, if applicable, a subsequent demand letter.

What is a Recovery Audit Contractor (RAC) demand letter?
A RAC demand letter is a letter sent to the provider notifying them that an improper payment for the Medicaid Program has been identified. This letter contains the reason for the improper payment, amount of the improper payment, timeframe in which the improper payment will be adjusted, the regulation related to the improper payment, key timeframes within the process, where to send a request for Administrative Reconsideration and Fair Hearing Appeal and details regarding the administrative reconsideration period available. An Audit Detail is included with the demand letter listing the specifics of the improper payment.

What do I do when I receive a RAC demand letter?
You should first review the demand letter, Medicaid regulation and audit detail to understand the improper payment determination. The claim overpayment will be available for offset 33 days after the demand letter date. If you have additional information or disagree with the demand letter you may file an Administrative Reconsideration with the RAC by following the directions on your demand letter or you may file an appeal through Fair Hearings, which if done within 30 days, stops recoupment. If you file an Administrative Reconsideration and disagree with the finding, you will still have an opportunity to file a subsequent Fair Hearing Appeal. We strongly urge providers to submit any documentation or information relating to an Administrative Reconsideration with the RAC as soon as possible.

What types of improper payments is HDI looking for?
HDI is tasked to review the claims data that it receives from KHPA for both underpayments and overpayments in the Medicaid program, including incorrect payment amounts, non-covered services, incorrectly coded services, and duplicate services.

What determines whether an automated or complex review is performed?
All new improper payment issues that HDI develops must first be approved by KHPA prior to HDI mailing correspondence to providers.

How far back can HDI go in reviewing claims?
The RAC shall not attempt to identify any overpayment more than 4 years past the date of the initial determination made on the claim or, for underpayments, more than 2 years past the date of the initial determination made on the claim. The initial determination date is defined as the claim paid date.

Can I appeal an underpayment?
If you do not agree with an underpayment determination, you can inform HDI that you do not agree with the determination and HDI will close the claim.

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How long does HDI have to review the records I have sent?
In virtually all circumstances, HDI will complete its reviews within 90 days. You will receive a notification of the review results for every complex review.

What are my options for sending medical records?
At this time, you can send paper copies via first class U.S. mail (HDI does not reimburse for the expense of courier services such as FedEx or UPS. Any records sent using such courier services is at the expense of the provider), fax, or scanned images sent via an encrypted CD/DVD. Instructions and submission options will be supplied in HDI’s medical record request letter.

I know the Medicaid RAC can review claims up to 4 years for overpayments and 2 years for underpayments. Please explain how the periods are determined.
Overpayments cannot be audited more than four (4) years past the initial claims paid date and underpayments not more than two (2) years past the initial claims paid date. • For complex reviews (where medical records are requested), the “look back” period is calculated by starting with the date the initial claim is paid and ends with the date the RAC issues the medical record request. Complex Review EXAMPLE: Claim date of service = 9/01-9/04/2007. Initial Claim payment date is = 10/4/2007. The RAC has up to 4 years from the initial claim paid date of 10/4/2007 to issue a medical record request (e.g., until 10/4/2010). If a medical request is DATED on or before 10/4/2010, it is within the “look back” period and the provider should promptly respond to the request. • For automated reviews, the “look back” period is calculated by starting with the initial claims paid date and ends with the date of the overpayment notification letter (demand letter). Automated Review EXAMPLE: Claim date of service = 8/12/2007 Initial Claim payment date is = 1/18/2008 The RAC has up to 4 years from the initial claim paid date (1/18/2008) to issue a Demand Letter request (e.g., until 1/18/2011). If a Demand Letter DATED is on or before 1/18/2011, it is within the “look back” period and the provider should promptly respond to the request.

Why is the Knowledge Based Authentication (KBA) process used?
HealthDataInsights, Inc. (“HDI”) will allow providers to use a Knowledge Based Authentication method in order to securely access the HDI provider portal. The provider portal contains contact information for providers and enables providers to customize their contact information. It also contains the additional document request information as well as the receipt and review status of those records.

What information can I access in the HDI Provider Portal?
After the login process, you have the ability to view and change contact information, view HDI requests for medical records and view the tracking of the medical records received.
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How do I change/update provider contact information?
After the login process, you access the Account Management header and use the drop down box for Contact Information. Three columns of information appear. The first column is the Address from the Claims Processing Contractor (CPC) and cannot be edited. The second column is the Contact to Receive Medical Record Request Letters. You may edit or delete contact information from this column. If you delete this information the contact will default to the CPC contact information. The third column is the Contact to Receive Improper Payment Letters. You may edit or delete contact information from this column as well. If you delete this information the contact will default to the CPC contact information. “Add Web Users” is found at the bottom of this page and allows up to a total of 7 Web Users. Please remember that any contact information in column 2 and/or column three is included in this total so if both columns are completed (even with the same information) you may only add 5 additional Web Users.

How do I track the status of the medical records I have sent to HDI?
After the login process, you access the Medical Record Tracking header. You are then directed to the Medical Record Tracking screen which provides the RAC Case ID, Medical Record Number, Date of Service From, Date of Service To, Documentation Requested (which indicates the date HDI requested the documentation), Documentation Received (which indicated the date HDI received the documentation), Improper Payment Notification Letter (which indicates the date the review results was sent from HDI).

What happens to the documentation and information that is submitted with the Administrative Reconsideration form?
The documentation and information is reviewed by the appropriate person at HDI and a determination is made to either uphold or overturn the overpayment determination. A letter is sent to the provider advising them of the Reconsideration determination. If HDI closes the finding after review of the Administrative Reconsideration information, HDI will work with the Medicaid Claims Processing Contractor to close the AR or refund the monies if the offset has already occurred.

How do I know that an account has been recouped?
The Medicaid Claims Processing Contractor (“CPC”) will notify the provider via a Remittance Advice (“RA”)

Why can’t I access or login to my account on the HDI web portal?
For security purposes, providers can only access HDI’s web portal using Internet Explorer 7.0, or higher, and Firefox 3.0, or higher. Internet Explorer 7.0 contains critical security updates not contained in earlier versions. If a provider has not upgraded to Internet Explorer 7, which was released in October, 2006, they will need to download the free software to access the web portal.