

South Carolina Healthy Connections Medicaid Recovery Audit Contractor Program FAQs

1. What is the Recovery Audit Contractor (RAC) program?

Under Section 6411(a) of the Affordable Care Act, each state must contract with a vendor to review provider claims. The South Carolina Department of Health and Human Services (SCDHHS) has contracted with Health Management Systems (HMS) to be our RAC and complete the review. The purpose of the review is to reduce improper payments for the South Carolina Healthy Connections Medicaid program through the detection and collection of overpayments, the identification of underpayments and the implementation of actions that will prevent future improper payments.

2. Who does South Carolina Healthy Connections Medicaid contract with for the RAC program?

SCDHHS contracts with Health Management Systems (HMS), a Gainwell Technologies Company, to act as the RAC to review claims for the South Carolina Healthy Connections Medicaid program.

3. Will the RAC review fee-for-service (FFS) claims, MCO claims or both?

The RAC currently reviews only FFS claims.

4. How far back can the RAC go in reviewing claims?

The RAC lookback period is three years (36 months) from the service start date of the claim. The exception is place of service reviews which will have a six-month lookback to allow hospitals to rebill the claim.

5. How are RAC reviews conducted?

HMS utilizes two types of reviews for the RAC program. These are automated reviews and complex reviews.

6. What is an automated review?

Automated reviews are conducted by HMS using data mining algorithms to identify overpayment of claims paid by SCDHHS. An automated review can occur when potential overpayments are identified from claim data elements. The data from the claims is weighed against well-established policies and rules. The automated review does not require the examination of medical records or other documents.

7. Will providers receive notice their claims are being audited?

The RAC conducts ongoing automated reviews of paid claims. Providers will not be notified when claims are included in an automated review but will receive a notification if an overpayment is identified and have an opportunity for reconsideration.

8. What is a complex review?

Complex reviews require a manual review of medical records or other documents to fully evaluate the validity of claims submitted. The Medical Records Request Letter serves as notification of the

review. The letter requests complete medical records and other relevant documentation needed to complete the review.

9. Does RAC plan on doing medical necessity reviews?

HMS does not perform medical necessity reviews. The place of service review determines whether services billed reflect the services that were actually provided to the patient as documented in the medical record and that those services were provided in the least intensive setting appropriate for the patient's condition.

10. What is the length of stay for inpatient place of service (POS) reviews?

The length of stay is two days or less for inpatient POS reviews.

11. What specific criteria does RAC use to assess the POS?

RAC uses InterQual criteria for POS reviews.

12. Will RAC review admissions that have been authorized by the Quality Improvement Organization (QIO)?

Yes, admissions authorized by the QIO are subject to POS reviews. SCDHHS reserves the right to review retrospectively any case that has received prior approval to assure accuracy and compliance with South Carolina Healthy Connections Medicaid guidelines and federal requirements. Telephone or written approval is not a guarantee of Medicaid payment. All cases are subject to retrospective review to validate the medical record documentation. See the [Hospital Services Manual](https://www.scdhhs.gov) at <https://www.scdhhs.gov>.

13. Are there limitations to the number of claims which can be reviewed?

There are no limitations to the number of claims which can be reviewed. However, under the complex clinical reviews, SCDHHS established limits for the number of medical records requested each month for each provider.

14. Will the reviews focus only on institutional providers?

No. All Medicaid provider types may be subject to review by the RAC program.

15. How are claims selected for review?

SCDHHS and HMS collaborate to develop a scope for the review, including the type of claims to be reviewed, the applicable state and federal policies, claims payment system logic, etc. Once the scope is approved by SCDHHS, HMS' algorithms are applied to claims data and claims are selected for review.

16. Can I submit records electronically?

Yes. The Medical Records Request Letter from HMS provides information related to medical records submission, including submission methods and timelines. HMS accepts provider submissions of

electronic records on CD/DVD, Secure File Transfer Protocol (SFTP), via the HMS Provider Portal at <https://hmsportal.hms.com/> or fax at (877) 579-6531.

17. How do I sign up to use the HMS Provider Portal?

Please visit <https://hmsportal.hms.com/> and follow the user registration instructions.

18. Will the RAC or SCDHHS pay for copying medical records?

No. Providers must retain and, upon request, submit medical records to support the billing and reimbursement of Medicaid claims pursuant to the terms and conditions of their Medicaid provider participation and payment agreement at their own expense.

19. How long do I have to respond to a medical record request?

For complex reviews, providers have 30 calendar days from the date of the record request to submit documentation.

20. What happens if I have a delay in obtaining records specified in the Medical Records Request Letter?

It is the responsibility of all providers to submit medical records upon first request. However, if for any reason providers cannot submit records within 30 calendar days from the initial request for medical records, an additional 60 calendar days may be granted for medical record submission upon request.

Upon expiration of the 90-calendar day period, providers will receive a Technical Denial letter. If medical records are not submitted within 30 calendar days, a Follow-Up Technical Denial will be sent to the provider where a final 60 calendar days will be allotted to send in medical records.

PLEASE NOTE: Failure to remit medical records requested by SCDHHS or any SCDHHS contractor by the established deadline will result in recoupment of the paid claim by SCDHHS.

21. After I read the Preliminary Findings Letter, may I submit additional documentation for review?

Yes, you have 60 calendar days from the date of the Preliminary Finding Letter to submit any additional documents and request a reconsideration with rationale to the RAC. The RAC will review additional documents within 30 calendar days of receipt.

The outcome of that review will be provided to you by mail on a Reconsideration Upheld or Reconsideration Overturned Letter.

22. What happens if I disagree with the findings in the Reconsideration Upheld Letter?

If you believe that HMS' reconsideration findings are in error, pursuant to the South Carolina Code of Regulations, S.C. Code Ann. Regs. 126-152, you have the right to an evidentiary hearing with the

SCDHHS Division of Appeals and Hearings. The notice of appeal must be filed in writing within thirty (30) calendar days of receipt of the HMS reconsideration upheld letter and must state with specificity the adjustment(s) or disallowance(s) in question, the nature of the Issue(s) in contest, and the jurisdictional basis of the appeal. Notice of appeal may be submitted:

- Online via www.scdhhs.gov/appeals, or
- By fax to (803) 255-8206, or
- By mail to:
Division of Appeals and Hearings
SC Department of Health and Human Services
P.O. Box 8206
Columbia, SC 29202-8206

23. What happens if I fail to respond to a Preliminary Finding or Final Finding Letter?

SCDHHS will adjust the payments accordingly and recoup via offset.

24. Can the RAC audit a claim that was audited by someone else?

If the claim has been or is currently being audited for the same audit reason by a state or federal agency or by a contractor working for a state or federal agency, then the RAC cannot audit the claim.

25. How will overpayments be recouped?

- A. For POS complex reviews *only*, if the claim is within the timely filing period, the hospital may void and replace the claim to rebill correctly. If there is no rebilling, SCDHHS will recoup the entire claim. If the claim is past timely filing period, SCDHHS will adjust the payments accordingly and recoup via offset.
- B. For DRG complex and automated reviews, SCDHHS will adjust the payments accordingly and recoup via offset.

26. Where should I send the password for my CD or DVD?

Please contact HMS Provider Services at (866) 376-2319, Monday through Friday between 8:00 a.m. and 5:00 p.m. ET to provide the password for protected files sent to HMS. Our Provider Services team will add them to your organization's file so HMS can open these files when they arrive.

27. What happens if I send my medical records on a CD/DVD and it's damaged when it gets to HMS or HMS does not get the password?

HMS will contact providers with the available contact information from the CD/DVD and contained within the HMS Provider Portal. If HMS is unable to reach the provider or the provider does not respond to HMS outreach efforts, claims for which the records are not accessible will be considered not received and will be subject to a technical denial. Providers can help reduce lost time by ensuring HMS has the proper contact information on file in the HMS Provider Portal.

28. What happens if my medical records are incomplete?

HMS reviews records received and if they appear incomplete, HMS issues an Incomplete Medical Record Letter. You then have an additional 30 calendar days to submit the missing records.

29. How do I contact the RAC?

If you have any questions, please contact HMS Provider Services at (866)376-2319 Monday through Friday between 8:00 a.m. and 5:00 p.m. ET.

30. How do I update the RAC contact and RAC address in the HMS Provider Portal?

Please review the posted HMS Provider Portal training document or contact HMS Provider Services at (866) 376-2319 for help updating the contact's name and address in the HMS Provider Portal. It is open Monday through Friday from 8:00 a.m. to 5:00 p.m. ET. Providers can customize the contact and address information for provider address for notification/determination letters and provider address for medical record request letters.

31. What is the benefit of the HMS Provider Portal?

Through the portal you can update contact information, upload documents and view and download medical record requests, findings letters and reconsideration letters.