

## FREQUENTLY ASKED QUESTIONS

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*HMS is under contract with the State of Tennessee Bureau of TennCare as Tennessee's Medicaid Recovery Audit Contractor (RAC), pursuant to Section 6411 of the Patient Protection and Affordable Care Act of 2010. Accordingly, HMS is authorized to audit provider payments and associated financial records for Fee-For-Service and Medicaid Managed Care claims to identify underpayments and overpayments, and to recover any overpayments made to providers.*

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

*As specified by federal regulation 42 C.F.R. § 455.508(f), the RAC “entity must not review claims that are older than 3 years from the date of the claim, unless it receives approval from the State”. As allowed by 42 C.F.R. § 455.516, Exceptions from Medicaid RAC programs, TennCare has received approval of the State Plan Amendment (SPA) authorizing the RAC to go back 5 years from the date of payment. This extended look-back period is pursuant to federal law and preempts the State pharmacy law limiting the look back to a period of two years.*

2. Will the RAC be conducting data mining and if so, will providers receive notice that their claims are being data mined?

*The RAC will be conducting ongoing data mining of transactions that were processed by TN Medicaid. Providers will not be notified when their claims are being data mined; they will receive notification when their claim is selected for a review.*

3. Will the RAC audit all the claims submitted by a facility?

*The RAC may look at any claims submitted by a facility. For example, if data mining reveals questionable billing patterns with a subset of the claims submitted by a facility, some or all the claims submitted by a facility may be audited.*

4. Will the audits focus only on institutional providers?

*No. The focus of the audits will include all provider types, both institutional and individual providers. This includes, but is not limited to: hospitals, laboratories, long-term care providers, pharmacies, physicians, therapists, and home health providers.*

5. What is an automated review?

*An automated review is used when improper payments can be identified from claim data elements and well established policies and rules, without examining medical records or other documents.*

6. What is a complex review?

*A complex review requires the examination of medical records or other documents, and may also involve on-site auditing.*

7. Can I submit records electronically?

*Yes. The letter from the RAC requesting records will state that the RAC will accept provider submissions of electronic records on CD/DVD, secure transmission or fax and how to submit the records.*

8. How do I sign up to use the provider portal?

*Please visit <https://ecenter.hmsy.com> and follow the User Registration instructions.*

9. What is the provider relations number for Tennessee RAC?

*Contact HMS Provider Services at 855-809-3984.*

10. Is there a limit to the amount of medical records the RAC may request from me?

*Yes, there is a maximum limit of 300 records for any 45 day period. However, the limit may be lower for your facility based on the number of claims filed to TennCare by your facility in the year of the audit. To calculate the limit for your facility, multiply the number of claims filed to TennCare by your facility for the year covered by the audit by 1%, then divide the result by 8 to determine the record request limit for any 45 day period.*

*There is also a minimum limit of 35 records that the RAC may request for any 45 day period. In the event that the calculation for the maximum number of record requests results in a number less than 35, the RAC may request the minimum of 35 records for any 45 day period.*

*If your facility is comprised of multiple locations, the locations are considered one facility if they share the same federal tax ID number **and** they have the same first three digits of their zip codes for each provider location.*

11. Will the RAC pay for copying medical records?

*No. Federal regulations state that the RAC is not required to pay for copying records.*

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

*Providers have 30 calendar days to respond to a records request for automated and complex reviews.*

13. How long does the RAC have to audit after the initial letter?

*For automated reviews, 30 calendar days, and for complex reviews, 60 calendar days.*

14. What happens if I am unable to submit the requested documents to the RAC within 30 calendar days?

*The provider must inform the RAC of any delay and the reason for such delay. If an extension is desired, the request for such must be submitted in writing to the RAC. Any extension to provide the requested documentation will be granted at the sole discretion of the State's Contract Manager.*

15. Will I have an opportunity to respond to any audit findings?

*Yes, a preliminary findings letter will be sent to you. You will have 30 calendar days to respond to the preliminary findings letter for an automated or complex review.*

16. After I have read the draft report, may I ask for an additional review?

*Yes. A provider may request an additional review within 30 calendar days of receiving the preliminary findings letter. For automated or complex reviews, the RAC will have an additional 30 calendar days to review the provider's response to the preliminary findings letter.*

17. Will I have an opportunity to respond to the final audit report?

*Yes, a provider will have 30 calendar days to respond to a final report of automated and complex reviews.*

18. What happens if I disagree with the final audit report?

*If the provider disagrees with the final audit report and notifies HMS within 30 days of such, HMS shall notify the State's Contract Manager. The provider may then request an appeal no later than 35 days from the date of the final determination letter.*

19. If I file an appeal or ask for a pre-hearing conference, will I still have to pay back the amount of the overpayment in the final report?

*If the provider files an appeal or asks for a pre-hearing conference, no payment of the overpayment will take place until there is an agreement on the amount of the overpayment between the provider and TennCare or the appeal process has concluded.*

20. What happens if I fail to respond to a final audit report?

*The RAC will notify the State's Contract Manager and the claims involved will be subject to a technical denial.*

*If the provider continues to fail to respond to the RAC or TennCare, the provider's participation in the TennCare program may be terminated and TennCare will pursue the overpayment as allowed by law*

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

*The RAC cannot audit the claim if the claim in question:*

- *Was or is currently being audited involving the same issue or service, **and***
- *Is being audited by either a:*
  - *State or Federal agency, or*
  - *Contractor working for a state or federal agency.*

22. What happens if I fail to respond to a medical record request?

*If the requested records are not received within 45 calendar days, the RAC will attempt to contact the provider.*

*If another 10 calendar days pass without either the records being produced or an explanation as to why they have not been produced, the claims involved in the audit will be subject to a technical denial.*

*If the provider continues to fail to respond to the RAC or TennCare, the provider's participation in the TennCare program may be terminated and TennCare will pursue the overpayment as allowed by law.*

23. How does the RAC calculate overpayments?

*Overpayments occur when a RAC audit determines that claims should be either fully or partially denied pursuant to a law or rule.*

*A full denial occurs when the RAC determines that:*

- 1) The submitted service was not medically necessary and no other service (for that type of provider) would have been medically necessary; or*
- 2) No service was provided.*

*A partial denial occurs when the RAC determines that:*

- 1) The submitted service was not medically necessary, but a lower level of service would have been medically necessary; or*
- 2) The submitted service was upcoded (and a lower level of service was actually performed); or*
- 3) An incorrect code was submitted that caused a higher payment to be made.*

24. Will providers be paid for underpayments?

*Yes. As the RAC identifies provider underpayments, the identified claims will be forwarded to the State's Contract Manager to coordinate the payments back to the provider. The RAC will not report underpayments in situations where the provider failed to include a provided service on a claim. The RAC will not process or report underpayments self-disclosed by providers.*

25. Will extrapolation be applied to determine the amount of overpayments?

*Yes. Where the RAC reviews a sample of claims, the RAC may extrapolate to determine the total amount of the overpayment. The overpayment amount will be based on a statistically valid sample.*

26. How will overpayments be recovered?

*Unless otherwise stated, overpayments will be recovered with payment by check to:*

*Bureau of TennCare  
Dept #2136  
State of Tennessee  
P.O. Box 11407  
Birmingham, AL 35246-2136*

27. Will interest be charged when payment is not made in full?

*If the provider does not refund the funds to TennCare for identified overpayments within 60 days of identification, Interest may accrue as allowed by Tennessee State law.*

*Further, section 6402 of PPACA requires providers to report and return over-payments within 60 days of identification. Failure to repay an “identified” overpayment within 60 days may open the provider to liability under the False Claims Act.*

28. Will the RAC provide education if I want to understand more fully the billing errors that it determines resulted in an overpayment?

*Yes, each overpayment notice will include a detailed description of each error and will also include an offer by the RAC to provide education with respect to the billing errors that were found. Education may be offered by written correspondence, telephone conference, webinar, or in person.*