

Medicare Fee-for-Service Recovery Audit Program Appeals Update- May 2012



The Tax Relief and Health Care Act of 2006 instructed the Centers for Medicare & Medicaid Services (CMS) to adopt the Recovery Audit program nationwide. There are currently 4 Recovery Auditors tasked with detecting and correcting past improper payments, in efforts to protect the Medicare Trust Fund. Recovery Auditors are paid on a contingency fee basis, and to ensure accuracy in determinations, the CMS retracts any contractor payment for denials later overturned on appeal. The CMS continues to strive for the upmost transparency in conducting the program, and will therefore begin posting appeals information for provider reference. The first update is listed below, and includes the aggregate data for Fiscal Year 2011.

CLAIMS DENIALS OVERTURNED ON APPEAL FY 2011

Number of claims with overpayment determinations	903,372
Number of claims where the provider appealed (any level)	56,620
Number of claims with appeal decisions in provider's favor	24,548
Percentage of appealed claims with a decision in provider's favor	43.4%
Number of claims where provider did not appeal	846,752
Percentage of claims overturned on appeal for all denials	2.7%

The number of claims that have been appealed is limited to claims originating in FY 2011, with appeals initiated through 9/30/2011. Each level of the appeal process has statutory timeframes that provide due process to providers. Since these timeframes extend beyond the end of the fiscal year, each update will represent a snapshot in time to ensure accurate data.

APPEALED AND OVERTURNED CLAIMS—BROKEN DOWN BY TYPE OF REVIEW:

Type of Review	# of Claims Appealed	# Overturned on Appeal	Total \$ Amount Overturned
Automated	31,297	17,893	\$5.94 million
Complex	22,188	4,426	\$29.95 million
Unknown	3,135	2,229	\$1.98 million
TOTAL:	56,620	24,548	\$37.9 million

APPEALS BREAKDOWN BY RECOVERY AUDITOR, TYPE OF CLAIM, & LEVEL

Type	# Claims with Overpayment Determinations	# Claims Appealed at Any Level	Percentage (%) Appealed at Any Level	# of Decisions in Providers Favor	% of Denials Overturned on Appeal
A	197,739	27,158	13.7%	6,266	3.2%
B	410,208	20,406	4.9%	14,352	3.5%
DME	295,425	9,056	3.1%	3,930	1.3%
TOTAL:	903,372	56,620	6.3%	24,548	2.7%

**Often times Part B and DME claims are corrected through the appeals process, which means the reason for the denial is upheld but the provider is allowed to correct the claim and rebill using the appropriate code(s).*