

The Best Medicine For A RAC Is Document Management

By: Susan deCathelineau, manager of healthcare solutions for Hyland Software

The RACs have arrived, and they're here to stay.

With the Medicare auditing program ready to expand to all states by 2010, the inevitable nature of the RACs is setting in. And while no one is certain what the outcome will be, the results of the trial audits have already proven to be costly: in just the five pilot states, \$993 million in Medicare overpayments has already been recouped.

Is this an indication that healthcare organizations have been overusing Medicare funds for years? Not necessarily. Because the RACs determine both underpayments and overpayments based on documented evidence, it's likely that the organizations taking part in the trial just weren't ready to present the necessary records to prove their cases. So although you can't keep the RACs from auditing your organization, you can prepare for the audit process itself – a process that requires a massive time and labor commitment. In fact, preparing and enduring a RAC can end up costing even more than any actual overpayments. How, then, can providers get a grip on the audit process? Think document management.

Here are five ways document management can help your organization get a better handle on the RACs.

1. Content: not just what, but where.

You can't prove that you received the right Medicare payment for your services if you don't know what evidence you have – or where to find it. If just one document – a lab result, progress note, or other clinical information – is missing, the RAC will determine that the service was not worthy of Medicare reimbursement, because you can't prove that it happened or that it was necessary. And if you want to appeal a determination, the more information you have, the greater your chances of winning. Document management has the inherent ability to store, manage and track content all in one place – regardless of where it originates. Because clinical and financial content is created from so many sources, having the ability to capture it all with document management in a single location is a necessity – especially when making a case to a RAC.

2. It's more than paper – it's a process.

Yes, it's important to have all your documents in one place, but you also need to manage the steps in the process. Some document management technologies offer the ability to track an auditor's request from start to finish – steps to be completed, who they're assigned to, expected completion date, appeal dates, etc. Because managing the process itself is the most labor-intensive component when done manually, using document management increases both efficiency and accuracy.

It can also help once that process is extended externally to the RAC. The software gives a snapshot of what the evidence looked like when you passed it along to the RAC, so you have your own audit trail. Also, proper procedures, such as release of information, must be followed when dealing with patient data, and document management makes the authorization process smooth for both parties.

3. Do more with what you have.

Healthcare organizations that have already had a RAC noted that it is no ordinary audit. The volume of records a RAC requested were typically five times that of a traditional audit. Of course, this means an unexpected amount of additional work for employees – and a potential need to hire even more people to help. But by using document management to manage the process, requests can be populated automatically and assigned to the right person. And, once a request is received, that person has all the information they need at their fingertips to complete it. Because the process, when document management is used, is so automated and intuitive, there's no need to hire additional staff.

4. The past can determine future success.

Chances are, your first audit won't be as smooth of a process as you'd like it to be. Some information might still be misplaced and deadlines could be missed. And because it's likely that there will be more than one encounter with a RAC, it's important to figure out what you did right, what could be improved and how you can go about doing it. Document management keeps a history of the entire audit, from who responded to the most requests all the way to how long, on average, each request took to process. This

way, you can determine trends and weaknesses in your RAC response. And next time, you'll know what to change so your audit will be even more efficient and effective.

But the trends can do more than make your audit process better – they can also make your organization more compliant with the audit to begin with. By looking at trends, you can see exactly what mistakes were made, such as coding errors, and any patterns associated with them. And because you know what the errors are, you can make sure they don't happen again – which means you'll be more compliant with the RAC standards and requirements next time around.

5. Time is money.

It may be obvious from the above four points, but document management gives you time. This is especially relevant, because in the RAC world, time is hard to come by. They give a strict 45 day timeframe between when they send the request to when the healthcare organization must prove its "innocence." So by using document management to complete the process faster and more accurately, deadlines won't be missed. And that alone could save your organization millions.

The fifth benefit is one worth repeating: time. Staff is busy enough as it is – adding more work isn't an option. And, because budgets are tighter than ever, hiring extra help most likely isn't an option either. Therefore, giving your current staff the right tools so they have the time to take on the task of a RAC on their own is critical. And besides completing the audits, staff will still have time to focus on what's most important: helping your organization to provide the best patient care possible.