Illinois Medicaid Recovery Audit Contractor

Frequently Asked Questions

GENERAL INFORMATION

1. **Who is HMS**
   Health Management Systems, Inc. (HMS), is under contract with the Illinois Department of Healthcare and Family Services (HFS), Office of the Inspector General (OIG) as Illinois' Medicaid Recovery Audit Contractor.

2. **What is RAC**
   RAC, or Recovery Audit Contract, is a federally mandated audit required of all state Medicaid agencies to supplement program integrity compliance requirements. The RAC program's mission is to reduce Medicaid improper payments through the detection and collection of overpayments, and the identification of underpayments via a contract auditor.

3. **Legal Authority for RAC**
   42 CFR Part 455 et. seq.
   Section 6411 of the Patient Protection and Affordable Care Act of 2010

4. **What is the basis of review of a RAC audit?**
   RAC audit reviews are based on the Illinois Medicaid Program Provider Handbook policy, Informational Notices, and relevant administrative regulations pursuant to Title 89 Illinois Administrative Code. Additionally, for utilization review audits, RAC will use HFS Interqual Guidelines for accepted clinical criteria regarding admission status and level of care determinations, as required in the Illinois Medicaid Program Provider Handbook.

TYPES OF RAC REVIEWS

1. **Which provider groups are subject to RAC audits?**
   All provider types are subject to RAC audits. The audits will review for identification of overpayments and underpayments. Currently RAC audits are limited to Medicaid fee-for-service patient population.

2. **Why are Medicare claims subject to RAC review?**
   When a provider's Medicaid claim is subject to a RAC review it is likely a Medicare/Medicaid Crossover claim. When Medicaid providers submit claims to Medicare for Medicare/Medicaid beneficiaries, Medicare will pay the claim, apply a deductible/coinsurance or co-pay amount and then automatically forward the claim to Medicaid. Since Medicaid did pay, these claims are still applicable for RAC audit.

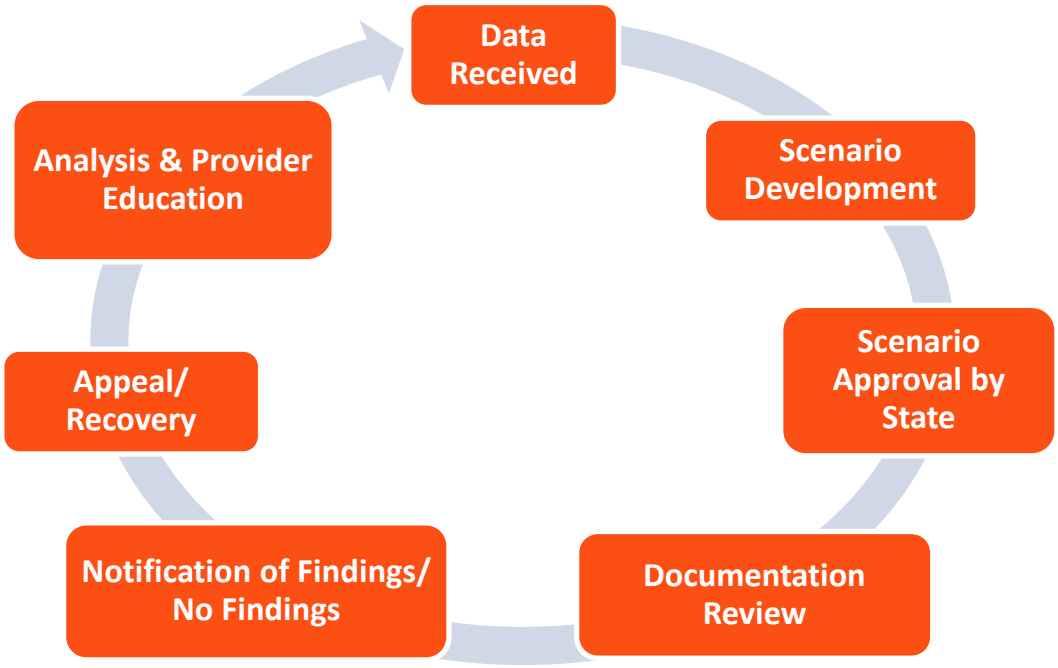
3. **What is the look-back time frame?**
   The look-back period is 3 years, based on the date of service.

4. **Will the RAC identify underpayments?**
   Yes. HMS will identify claims where a potential underpayment occurred. The necessary back-up documentation for these claims will be requested and reviewed by HMS to validate the underpayment determination.

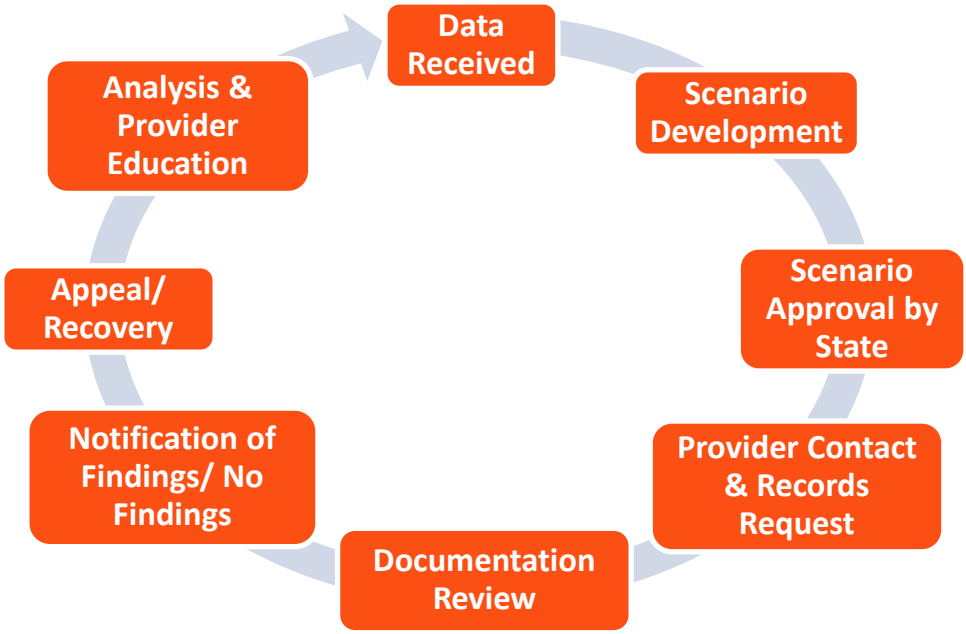
5. **Will the RAC acknowledge underpayments self-disclosed by providers?**
   No. RAC does not acknowledge underpayments self-disclosed by providers.

6. **What types of RAC reviews are there?**
   HMS may perform different types of reviews to identify potential overpayments, including:

   Automated Reviews - Required when improper payments can be identified clearly and unambiguously from claim data elements and established Illinois Medicaid policies and rules, without examining medical records or other documents. These reviews are normally performed as a desk audit.



   Complex Reviews - Required when data analysis identifies a potential improper payment that cannot be automatically validated through data elements and established policy and rules alone. The review requires the examination of records or other documents. These reviews are normally performed as a desk audit and will have records requests associated with them.



7. **Will extrapolation be applied to determine the overpayment amount?**
   Current audits do not extrapolate but the RAC anticipates extrapolation for future audits.

8. **Can the RAC review a claim that was previously reviewed by a different auditing entity?**
   If the claim that was or is currently being audited by a state or federal agency or a contractor working for a state or federal agency involves the same issue or service, the the RAC cannot audit the claim.

GENERAL PROCESS

1. **How will I be notified of the RAC audit?**
   For an automated review, the provider will receive the Preliminary Findings Letter along with a Final Notice of Recovery letter by HMS. (The Final Notice of Recovery letter will have a payment agreement that will need to be signed/notarized.) For a complex audit, the provider will receive a Medicaid RAC Audit Notification and a Medicaid RAC Record Request Letter from HMS notifying the provider of the records and documentation to be sent in to substantiate their billing. **Do not make payment adjustments once the audit commences.**

2. **Am I able to respond to a review?**
   For Automated (desk) Audits providers will have 30 days from the date of the Preliminary Findings letter to request reconsideration and will be permitted to provide additional documentation relevant to the finding to support their assertion of correct payment. If the findings are upheld, HMS will send the provider a Final Notice of Recovery. **Do not make payment adjustments once the audit commences.**
   For Complex (field) Audits providers will have 30 days (beginning November 2016) from the date of the Record Request Letter to submit the appropriate documentation for

review. Once a Preliminary Findings letter has been received, a provider will have 30 days to submit a request for reconsideration if appropriate and will be permitted to provide additional documentation relevant to the finding to support their assertion of correct payment. If the findings are upheld, HMS will send the provider a Final Notice of Recovery, an HFS-OIG Payment Agreement and Agreement for Corrective Action. **Do not make payment adjustments once the audit commences.**

3. **What happens if I fail to respond to a review?**
   Failure to respond to a review may result in the recovery of all claims for which a response was not received. Accordingly, HMS may determine an overpayment exists related to the claim. The overpayment amount will be referred to the HFS-OIG for administrative hearing, and you will be notified of the State's Action and Intent to Recover the overpayment.

4. **Will extensions be allowed if delays occur in obtaining documentation needed?**
   No. Extensions will not be allowed during the RAC Audit process.

5. **Can I submit records electronically?**
   Yes. HMS will accept provider submissions of records on CD/DVD or via fax. **The initial page of the Medicaid RAC Audit Record Request Letter must be included with all documentation and CD/DVDs submitted to HMS.** The standard procedure for submitting the password associated with the encrypted CD/DVD is to send the password (along with the first page of the Medical Record Request Letter) in a separate envelope from the encrypted CD/DVD (along with the first page of the Medical Record Request Letter). Please contact the HMS RAC Provider Relations Team at 1.855.699.6292 if you have questions.

   In efforts to generate less paper waste, HMS has established a "GO GREEN" initiative, whereby files can be sent electronically though a secure file transfer protocol (FTP). For set up, email GoGreen@HMS.com

6. **Will providers be reimbursed for sending medical records?**
   No. There will be no reimbursement to providers for the copying/sending of medical records.

7. **Will you accept passwords for CD medical records via email instead of phone?**
   Yes, please email: MDG-PSR-Password-DataNotify@hms.com. Please include: Provider Name, Letter Reference, Mail Date and Tracking number, along with the password information.

8. **Is it also possible to change the point of contact for the Medicaid RAC Medical Record Request?**
   Yes. The point of contact can be updated by contacting Provider Services at 1.855.699.6292.

9. **How long does the RAC have to audit after receiving documentation in response to a letter?**
   The RAC has 60 days to review records or documentation submitted for consideration.

10. **What information will be contained in the preliminary finding notice?**
    The notice will include a detailed description of the overpayment finding with reference to the state policy, regulation, and/or guideline utilized to determine the overpayment.

11. **Do I have a right to a formal appeal hearing on the preliminary finding?**
    No. After receiving the Preliminary Finding letter, if a provider disagrees, they can submit a rebuttal to HMS, or wait for the Final Notice of Recovery letter to be issued by HMS (if they choose not to pursue rebuttal).

12. **Will I have an opportunity to respond to the final RAC audit findings report?**
    The RAC Final Notice of Recovery letter is a conclusive finding, subject to payment or administrative recovery action by HFS-OIG. Formal appeal rights are given in the Final Notice of Recovery letter.

PAYMENT PURSUANT TO THE FINAL NOTICE OF RECOVERY

1. **How do I repay the overpayment determination?**
   You will have 60 calendar days from the date of the Final Notice of Recovery to repay the overpayment amount listed in the final audit findings report of an automated or complex review. A provider must return the notarized Payment Agreement (included with all Preliminary Findings and Final Notice of Recovery letters) to HFS-OIG indicating the method of repayment. **Do not make payment adjustments once the audit commences.** Notarized payment agreements along with the payment by Cashier, Certified, or business check should be sent signed and notarized to:

   Illinois Department of HealthCare and Family Services
   Office of Inspector General (HFS-OIG)
   Attn: RAC Collection Unit
   2200 Churchill Road
   Building A-1
   Springfield, IL 62702

2. **How do Installment Agreement Payments work?**
   If a provider chooses an Installment payment option, it is the provider's responsibility to send in the check monthly. Debtor shall submit a check payable to Healthcare and Family Services. The first installment shall be due no later than sixty (60) calendar days of the date of the Final Notice of Recovery. All subsequent installments will be due by the 1st of each month following the month of the first installment until the debt is settled in full

3. **What if I disagree with the overpayment determination in the final RAC audit findings report and do not submit payment?**
   Failure to submit payment to HFS-OIG within 60 calendar days from the date of the Final Notice of Recovery shall result in referral to HFS-OIG. Upon receipt of a referral for non-payment, HFS-OIG will file a Notice of Intent to Recover against a provider. The provider will have the right to appeal the Notice of Intent to Recover pursuant to the administrative hearing process set forth in 89 Illinois Admin. Code, Chapter I, Section 104 and 140 *et. seq.*

ADMINISTRATIVE APPEAL HEARINGS

1. **What happens during the administrative hearings process?**
   The Illinois Medicaid RAC is the same process for the current Medicaid Recovery Cases audited by the HFS-OIG, Bureau of Medicaid Integrity (BMI). The Illinois appeal process is dictated by the Illinois Administrative Code (89 Ill. Admin. Code, Chapter 1, Sections 140 *et seq* and Sections 104 *et. seq.*) and the Illinois Administrative Procedures Act (5 ILCS 100/*et seq*).

2. **What happens if I am referred to HFS-OIG for non-payment based on a Final Notice of Recovery?**
   Upon receipt of a referral for non-payment, HFS-OIG may file a Notice of Intent to Recover from a provider for the overpayment identified in a RAC audit.

3. **When will I be notified if HFS-OIG files a Notice of Intent to Recover?**
   HFS-OIG, at its discretion, may file a Notice of Recovery Action. There is no time limit as to when a Notice of Recovery Action may be filed.

4. **How will I be notified that HFS-OIG filed a Notice of Intent to Recover?**
   HFS-OIG will send notice to the address of record listed with the HFS Illinois Medicaid Program Advanced Cloud Technology (IMPACT) database and/or the point of contact information previously provided in response to the RAC records request.

5. **How do I update or add additional contact information with HFS-OIG?**
   Additional contact information may be provided, along with a claim number as a point of reference, to HFS RAC appeals via email to: HFS.OIG.RAC.Appeals@Illinois.gov. You may also submit updates in writing to:
   Office of the Inspector General
   Attn: RAC
   401 S. Clinton, 6th Floor
   Chicago, IL 60607

6. **What do I do after I receive HFS-OIG Notice of Intent to Recover?**

If you agree with the Notice of Intent to Recover and intend to submit payment in full, contact the HFS-OIG attorney listed in the Notice of Intent to Recover via email and/ or telephone.

If you disagree with the HFS-OIG Notice of Intent to Recover, you have the right to an appeal hearing before the HFS administrative tribunal pursuant to 89 Ill. Admin. Code, Chapter 1, Sections 140 *et seq* and Sections 104 *et. seq.* and the Illinois Administrative Procedures Act (5 ILCS 100/*et seq*). Your request for hearing must be received within 10 days after the date on which you received the HFS-OIG Notice of Intent to Recover. The request for hearing must be in writing and must contain a brief statement of the basis upon which the HFS-OIG intent to recover is being challenged and is to be submitted to the following address:

Chief Administrative Law Judge
Vendor Hearings Section
Illinois Department of Healthcare and Family Services
69 W. Washington St., 4th Floor
Chicago, IL 60601

Additionally, a copy of the request for hearing should also be sent to the HFS-OIG attorney of record listed in the Notice of Intent to Recover.

7. **What happens if I fail to request a hearing or otherwise fail to respond to the Notice of Intent to Recover within ten days?**
   Should you fail to request a hearing or otherwise respond to the Notice of Intent to Recover within ten days, HFS-OIG may motion the administrative tribunal to issue a default final decision in favor of HFS-OIG's intended recovery.

8. **What happens if I file a request for hearing but change my mind and later withdraw my request and/or do not appear on the scheduled hearing date?**
   A failure to respond or appear pursuant to a Notice of Intent to Recover may lead to a default final decision by the Director of HFS and that decision will be sent to the Office of Inspector General's Collections Unit.

9. **Who can represent me in an administrative appeal hearing?**
   Illinois law requires that corporations which are parties to administrative hearings be represented by an attorney licensed in the State of Illinois.

10. **If I file an appeal or ask for a hearing will I still have to pay back the amount of the overpayment in the Final Notice of Recovery?**
    If the provider files an appeal or asks for a preliminary conference, no recovery of the identified claim will occur until the appeal is resolved.

MISCELLANEOUS

1. **What if information on the claim, such as date of birth or other demographic information for the member, is incorrect?**
   This information must be updated by the member and cannot be updated by a provider. The member can contact their case worker or call the DHS Help Line at 1-800-843-6154 to update information from the application.

2. **Who do I call about billing questions that have to do with information outside the HMS audit?**
   You can call the HFS provider services department at 1-877-782-5565 or look at detail on the website: https://www.illinois.gov/hfs/MedicalProviders/Pages/default.aspx

3. **Why do my calls to the Provider Services line go to voice mail?**
   The HMS RAC call center is programmed so that during high call volume times, a caller may wait on hold up to 5 minutes. The caller can choose to go to voicemail at any time, but after 5 minutes, the caller is routed to voice mail and prompted to leave a message. HMS encourages callers to leave a message. An HMS representative will return the call.

4. **Is there a website to check claim status?**
   You can call provider services at 1 (855) 699-6292 to check claim status. At this time there is not a website to check claim status.

5. **Can there be multiple provider contacts for my hospital?**
   There can only be one primary contact per provider/hospital. The initial one will be based off of the state files, but you can call into provider services (1.855.699.6292) to update the contact at any time.

RAC RESOURCES FOR PROVIDERS

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

   Yes. HMS hosts a weekly Webinar on its website geared toward educating providers on the RAC process. https://hms.com/us/il-providers/home/. Additionally, education may be offered by written correspondence, telephone conference, or in person.

   Webinars will be canceled if they occur on any one of the following holidays:

   Martin Luther King, Jr. Day

Presidents' Day
Memorial Day
Independence Day
Labor Day
Christmas Day
New Year's Day

2. **How can I obtain provider type specific information regarding the Illinois Medical Assistance Program?**
   Program information specific to provider types, including Illinois Provider Handbooks and Provider Notices is available at:
   https://www.illinois.gov/hfs/MedicalProviders/Pages/default.aspx.

COLLECTIONS

1. **What do I need to send in to HFS to pay my overpayment amount?**
   You need to submit to HFS Collections, a copy of the entire payment agreement with the option of payment selected and a copy of the Final Determination Letter along with the list of claims audited. The payment agreement must be signed and notarized in order to be accepted by HFS.

2. **Who do I make my overpayment check to and where do I send it?**
   Submit a check payable to "Illinois Department of Healthcare and Family Services". Payments are to be sent along with the payment agreement and audit backup documentation to:

   Illinois Department of Healthcare and Family Services
   Office of Inspector General (HFS-OIG)
   2200 Churchill Road, Building A-1
   Springfield, IL 62702
   Attn: RAC Collections Unit

3. **Do I need to submit my payment to HMS or a copy of my payment to HMS?**
   No. HMS does not handle any collection of RAC Audit overpayments. Please see #1 above for proper submission of payment agreements. Please do not send checks or payment agreements to HMS.

4. **I submitted a check for payment to HFS but I see adjustments on my voucher indicating additional adjustments, was my overpayment collected twice?**
   Most likely, no. When HFS receives a check for an overpayment, in order to adjust the claims to account for the recoupment of the monies from the audit, HFS will process

either a 20C – Check Detail adjustment or a 32C – Check Mass adjustment. These adjustments are accounting adjustments only and do not affect the bottom line of the voucher you have received. HFS has to process these adjustments in order to balance out from the claims, the amounts recouped.

If your voucher indicates a 15C – Withhold Mass or a 22C – Detail Mass adjustment and subtracts the amount of these adjustments from your voucher and you reimbursed HFS by check, please send an e-mail with a copy of the voucher and identify the adjustments that are potential double recoupments to HFS.OIG.Collections@illinois.gov and we will review. If it is determined that there was a double recoupment taken, then HFS will process a debit adjustment to reimburse the provider back for the double recoupment.

5. **Can HFS Collections staff assist with an appeal on my claim?**

   No, HFS Collections staff cannot assist with audit appeals. You will need to e-mail HFS.OIG.RAC.Appeals@Illinois.gov. You may also submit updates in writing to:

   Office of the Inspector General
   Attn: RAC
   401 S. Clinton, 6th Floor
   Chicago, IL 60607

6. **What if I have issues in making installment payments to the Department?**
   Please send an e-mail to HFS.OIG.Collections@illinois.gov and present to us in writing the issues you are having and we will work with you to make additional payment arrangements.