Recovery Audit Contract (RAC) Medical Records Request Limits for Complex Reviews

As of July 1st, 2021

The Colorado Department of Health Care Policy and Financing (The Department) and the Recovery Audit Contract (RAC) vendor, Health Management Systems, Inc (HMS), has completed its analysis of hospital sizes and Health First Colorado (Colorado’s Medicaid Program) reimbursement amounts from the previous State Fiscal Year (July 1, 2020 through June 30, 2021). This information has been used to determine the number of medical records (claims) that can be requested by HMS at one time.

The following tiers are used only for complex medical record reviews that requires human review of supporting documentation such as medical records to evaluate the validity of claims submitted by a facility. These tiers do not apply to automated reviews that utilize data mining algorithms to identify overpaid claims using Health First Colorado paid claims data.

The four separate tiers are calculated by reimbursement amount to ensure that there is not an administrative burden for Health First Colorado providers in Colorado when asked to provide documentation to substantiate claims.

The Department has determined the following maximum record request limits (claims limits) for facilities. These amounts are based on Medicaid payments to the provider in the full state fiscal year 2021:

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| --- | --- | --- |
| **Tier Number** | **Medicaid Reimbursement amount for State Fiscal Year 2020-2021** | **Maximum Records per Request** |
| 1 | $40 Million + | 400 |
| 2 | $10-$40 Million | 200 |
| 3 | $1-$10 Million | 100 |
| 4 | Less than $1 Million | 50 |

Providers are also granted a rest period (60 days) in which HMS cannot ask for additional records from that service location. This includes the following timeline:

* Day 1: Provider is mailed a Medical Records Request from HMS.
* Day 31: Provider can be in another audit; however, this excludes another Medical Records/Complex audit. Providers then have a 30-day rest period in between complex audits.
* Day 61: Providers rest period is now expired, and a new Complex audit/Medical Records request can be sent out to the specific provider (service location).

The Department will determine groups after each full state fiscal year, when Health First Colorado reimbursement amounts become available. This information will be provided to the Colorado Hospital Association to disseminate to all its hospital members.

For more RAC Program information go to:

* Colorado Department of Health Care Policy and Financing RAC Program website – <https://www.colorado.gov/pacific/hcpf/recovery-audit-contractor-rac-program>
* Health Management Systems, Inc. RAC Website –

<http://hms.com/us/co-providers/home/>

* Health First Colorado RAC Frequently Asked Questions –

<http://hms.com/wp-content/uploads/2017/07/CO-RAC-FAQs.pdf>