

BREAKING: RAC Audits for Parts C and D Start Now

Beginning in 2011, Recovery Audit Contractor, or RAC audits, will be required for plans offering Part C and Part D benefits as well as for Medicaid plans. Comments heard around the buffet table indicate that this comes as a surprise – and not a pleasant one – to a number of plans. RAC audits will focus on anti-fraud plans; claims exceeding allowable costs; and high-cost beneficiaries. CMS also announced that they have selected the first Part D RAC auditor. Ready or not, RAC is coming – time to get strategies in place!

REGULATORY SPOTLIGHT: Effective Compliance Plans

Several CMS presenters stressed that the foundation of effective compliance is the compliance plan. In fact, an “effective” compliance plan is now required by federal statute as of January 1, 2011. CMS conducted 33 on-site audits in 2010: 11 of these were compliance-plan only audits, while 22 included performance along with the compliance plan. CMS stated that an ineffective compliance plan was cited in five of the six enforcement actions it took last year. A compliance plan audit at some point is inevitable, so review, revise, and get ready!

Focusing on Fraud, Waste and Abuse

CMS speakers and the presenter from the Office of the Inspector General (OIG) discussed their increased focus on combating fraud, waste and abuse (FWA) in 2011. Both CMS and the OIG will be heavily scrutinizing the policies and procedures health plans have in place to combat FWA, particularly in compliance plans. Noting that effective controls on FWA must begin at the top and extend to all levels of the organization, the OIG offered their five-principle strategy to combat FWA: enrollment, payment, compliance, oversight, and response. Plans should review their FWA procedures to ensure their commitment to combating FWA is solid and verifiable throughout their organization.

To find out ways in which PSRx can assist you in meeting the new 2011 requirements, contact Rob Shelley at 612.827.3701.

21 February 2011

