

# *Newsbreaker*



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# **EDUCATING HOSPITAL STAFF IS THE KEY TO A COMPLIANT MEDICAL NECESSITY REVIEW PROCESS**

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In recent years, the healthcare environment has become increasingly regulated and hospitals' compliance with the Medicare Conditions of Participation (CoPs) and the Centers for Medicare and Medicaid Services (CMS) policies pertaining to medical necessity is essential.

Hospitals must understand the roles of CMS' contractors tasked to evaluate claim validity. There is a veritable alphabet soup of acronyms associated with these contractors but the two most frequently cited are RACs (Recovery Audit Contractors) and MACs (Medicare Administrative Contractors).

RACs detect and correct improper payments and collect overpayments from providers on a post-payment basis. RACs have the ability to review records up to three years from the date the claim was initially paid to correct improper payments.

MACs are responsible for claims processing, payment of Medicare fee-for-service claims and appeals (in case of claim denials). The MACs are also charged with provider education, provider enrollment, reimbursement, and provider customer service.

In order to be compliant, hospitals should have an ongoing education program in place to inform case management and administrative staff of the ever-changing and complicated CMS regulations regarding medical necessity. Even though these groups should be the content experts on all government topics related to medical necessity, attending physicians should also be educated. Physician education should focus on the "Big Picture", that is., why a compliant medical necessity process is so important and the possible implications of non-compliance. The key to a compliant medical necessity review process is a thorough understanding by all relevant personnel of the complex rules and regulations governing medical necessity and a system that evaluates compliance on a timely basis.

**Flaming enthusiasm, backed by horse sense and persistence, is the quality that most frequently makes for success." - Dale Carnegie**