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Nebraska RAC annual report
Pursuant to Statute 68-974
Reporting Period: 7/1/2015 – 6/30/2016

Background

HMS (Health Management Systems, Inc.) respectfully submits the annual report for 7/1/2015 – 6/30/2016 required by Nebraska Statute 68-974 as the recovery audit contractor for the Nebraska Department of Health and Human Services (DHHS). This report will address each requirement as written in LB315:

> "On an annual basis, the department shall require the recovery audit contractor to compile and publish on the department's Internet web site metrics related to the performance of each recovery audit contractor. Such metrics shall include: (a) The number and type of issues reviewed; (b) the number of medical records requested; (c) the number of overpayments and the aggregate dollar amounts associated with the overpayments identified by the contractor; (d) the number of underpayments and the aggregate dollar amounts associated with the identified underpayments; (e) the duration of audits from initiation to time of completion; (f) the number of adverse determinations and the overturn rating of those determinations in the appeal process; (g) the number of appeals filed by providers and the disposition status of such appeals; (h) the contractor's compensation structure and dollar amount of compensation; and (i) a copy of the department's contract with the recovery audit contractor."

Report Requirements:

(a) The number and type of issues reviewed;

During the reporting period, the following two (2) issues were reviewed:

- Dental Prophylaxis[1]: Data analysis review of dental prophylaxis services to identify possible overpayments based on the number of allowed prophylaxis exams per specified time period.
- Pharmacy Claims Eligibility Recovery: Data analysis to identify Medicaid recipients who have other insurance and issue Medicaid reclamation claims

[1] A significant amount of work was performed on this issue/review prior to the reporting time frame.

to insurance carriers to ensure Nebraska Medicaid remains payer of last resort.

(b) **the number of medical records requested**

During the reporting period, there were no medical records requested. Providers always have the opportunity to submit medical records in response to refund requests.

(c) **the number of overpayments and the aggregate dollar amounts associated with the overpayments identified by the contractor;**

The number of claims and dollar amounts of overpayments for both scenarios reviewed during the reporting period are 43,592 claims for $2,928,663.26.

(d) **the number of underpayments and the aggregate dollar amounts associated with the identified underpayments;**

There were no underpayments identified during this reporting period.

(e) **the duration of audits from initiation to time of completion;**

The Pharmacy Claims Eligibility Recovery reviews began in October 2014 and are ongoing. The Dental Prophylaxis reviews commenced in 4/2014 and closed in 12/2015.

(f) **the number of adverse determinations and the overturn rating of those determinations in the appeal process;**

There were 3,882 claims with adverse determinations. The overturn percentage of those determinations through the reconsideration process was 19.6%. These claims were part of an audit that occurred in 2014; however, in May 2015 DHHS revised the audit criteria for these reviews resulting in the overturn rate above.

(g) **the number of appeals filed by providers and the disposition status of such appeals;**

Six providers filed formal appeals for 170 claims. The disposition status of the claims are as follows:

- 140 claim lines were upheld
- 30 claim lines are pending decision

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(h) **the contractor's compensation structure and dollar amount of compensation;**

The RAC contract is compensated at 10.5% of recoveries received by Nebraska DHHS. The contractor requested compensation in the amount of $311,920.69[2] during this reporting period.

(i) **a copy of the department's contract with the recovery audit contractor.**

A copy of Nebraska DHHS' contract with HMS, the recovery audit contractor, can be found using this link. http://dhhs.ne.gov/medicaid/Documents/Recovery-Audit-Contractor.pdf

[2] Invoiced amounts may reflect recoveries collected in prior periods.