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RECOVERY AUDIT CONTRACTORS SET THEIR SIGHTS ON NEXT GENERATION SEQUENCING CPT® Codes 81455, 0111U, 0022U, 0037U

Recovery Audit Contractors (RACs) are selected by CMS to review claims on a post-payment basis with the objective of identifying and correcting improper payments made on claims for healthcare services provided to Medicare beneficiaries.

“Improper” can refer to overpayments or underpayments. Overpayments are determined to have occurred when auditors deem the supplied documentation for a paid service does not meet Medicare’s coding and/or medical necessity policies. Likewise, underpayments are identified when medical records indicate a more extensive service was provided than what was billed and paid for.

RACs are paid on a contingency fee basis, meaning they are reimbursed based on a percentage of the improper payments they find. However, they are required to return the fee if their overpayment/underpayment determination is overturned through any level of provider appeal.

CMS recently added **Next Generation Sequencing** to its RAC work plan as described below. The scope of the audit applies to laboratories in all Medicare A/B MAC jurisdictions.

0205-Next Generation Sequencing: Medical Necessity and Documentation Requirements

Description

Effective for services performed on or after March 16, 2018, the Centers for Medicare & Medicaid Services (CMS) has determined that Next Generation Sequencing (NGS) as a diagnostic laboratory test is reasonable and necessary and covered nationally, when performed in a Clinical Laboratory Improvement Amendments (CLIA)-certified laboratory, when ordered by a treating physician, and when all of the National Coverage Determination (NCD) requirements are met. The documentation will be reviewed to determine if NGS as a diagnostic laboratory test was medically necessary according to the guidelines in the NCD.

You can access CMS’ list of applicable policy references [here](#).

There are currently three RACs contracted to perform audits across five regions: Performant Recovery, Inc., Cotiviti, LLC and HMS Federal Solutions. [Click here for further detail.](#)

Please notify your APS Practice Manager if you receive notification and/or a request for medical records pertaining to this RAC audit so the documentation can be submitted within the deadline.