

**Saying he fears "no retaliation from anyone," the CEO of a small California hospital has filed suit in U.S. District Court claiming that \$1.1 million in Medicare claims flagged by recovery audit contractors have been in limbo "for years."**

*Source from: <http://healthleadersmedia.com/>*

California's only non-profit independent rehabilitation hospital has filed suit to force the federal government to resolve disputed Medicare billing appeals within its mandated 90-day window.

Felice Loverso, president and CEO of the 68-bed **Casa Colina Hospital and Centers for Healthcare** in Pomona, says the federal government has "for years, years" been holding about \$1.1 million in claims that were flagged by recovery audit contractors. Casa Colina has appealed the claims denials, but, he says, HHS hasn't come close to providing a hearing in front of an administrative law judge within the 90-day window mandated by Medicare law.

So, Casa Colina has filed suit in U.S. District Court in Central California, and Loverso seems to relish the fight. He says the rehab hospital runs at 100% occupancy, even with stringent screening requirements for the patients they admit.

"We just want to be paid for what we have already delivered," Loverso says. "We welcome audit[s]. We want audit[s], but a fair audit, a calculated audit where the rules of engagement are adhered to by us and by them."

The Casa Colina suit says that Medicare appeals are delayed, even as RACs were allowed to review and deny hundreds of thousands of claims, creating a backlog so severe that HHS has stopped assigning new ALJ appeals for 28 months.

Even though Casa Colina claims that it wins more than 80% of its RAC appeals, the delayed process means that the \$1.2 million in care reimbursements remain in limbo. The rehab hospital has also set aside \$2.1 million in reserves to account for more RAC audits, which began again recently after an 18-month moratorium expired.

**'Chasing a System that Seems to be Broken'**

"We have saved for 15 years to now to better serve the patients who are here, with an ICU and things like that," Loverso says. "The RAC audits, because they hold on to your money, challenges all of our bonds, all of our savings. Thank God Casa Colina right now is capable of covering the audit with reserves, but at some point those reserves will run out and we still have our bonds and loans and we still have patient who need to be seen."



Felice Loverso