



Medicare Recovery Audit Contractors (RACs)

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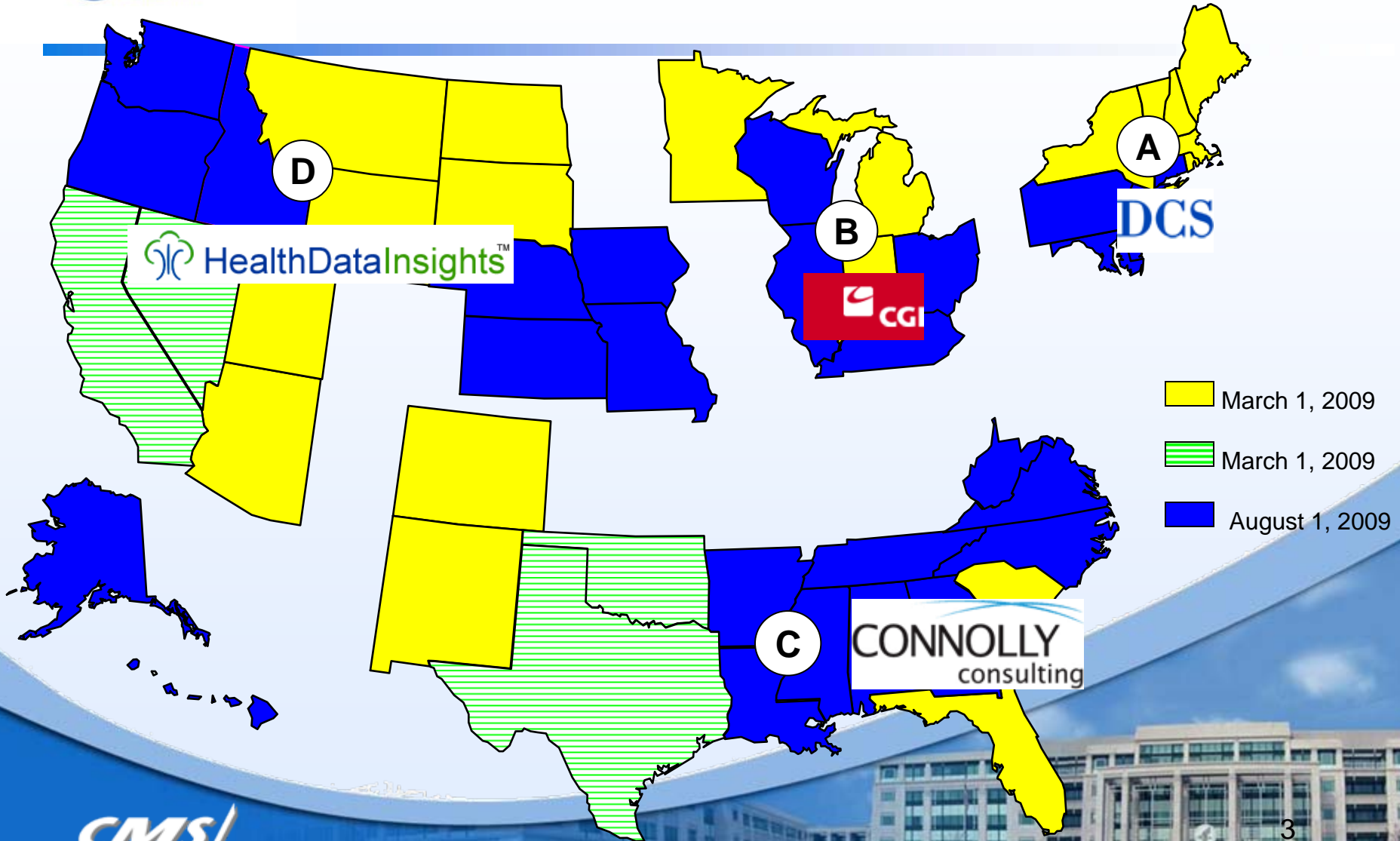


What is a RAC?

RAC Program Mission

- The RACs will detect and correct past improper payments so that CMS and the Carriers/FIs/MACs can implement actions that will prevent future improper payments
 - **Providers** can avoid submitting claims that don't comply with Medicare rules
 - **CMS** can lower its error rate
 - **Taxpayers** and future Medicare beneficiaries are protected

RAC Jurisdictions





RAC Legislation

- Medicare Modernization Act, Section 306:
 - required the 3-year RAC demonstration

- Tax Relief and Healthcare Act of 2006, Section 302:
 - requires a permanent and nationwide RAC program by no later than 2010

- Both statutes gave CMS the authority to pay RACs on a contingency fee basis



RAC Review Process

- RACs review claims on a post payment basis
- RACs use the same Medicare policies as FIs, Carriers and MACs
 - NCDs, LCDs & CMS manuals
- Two types of review:
 - Automated (no medical record needed)
 - Complex (medical record required)
- RACs will NOT be able to review claims paid prior to October 1, 2007
 - RACs will be able to look back three years from the date the claim was paid
- RACs are required to employ a staff consisting of nurses, therapists, certified coders & a physician CMD



RAC Program's Three Keys to Success

1. Minimize Provider Burden
2. Ensure Accuracy
3. Maximize Transparency



Minimize Provider Burden

- Limit the RAC “look-back period” to three years
 - Maximum look back date is October 7, 2007
- RACs will accept imaged medical records on CD/DVD (CMS requirements coming soon)
- Limit the number of medical record requests



Ensure Accuracy

- Each RAC employs:
 - A physician medical director
 - Certified coders
- CMS' New Issue Review Board provides greater oversight
- RAC Validation Contractor provides annual accuracy scores for each RAC
- If a RAC loses at any level of appeal, the RAC must return the contingency fee



Maximize Transparency

- New issues are posted to the web
- Vulnerabilities are posted to the web
- RAC claim status web interface (2010)
- Detailed Review Results Letter following all Complex Reviews



What Can Providers Do to Get Prepared?

- Know where previous improper payments have been found (OIG, CERT, Demo RAC Reports);
- Know if you are submitting claims with improper payments;
- Prepare to respond to RAC medical record requests;
- Appeal when necessary;
- Learn from your past experiences



Contact Information
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CMS Website
www.cms.hhs.gov/RAC