

Part B Insider (Multispecialty) Coding Alert

Recovery Audit Contractors: RAC Audits Will Impact Medicaid Claims Jan. 1, CMS Says

Recent delays have given you more time to prepare.

You've benefited from several delays in Medicaid RAC audits, but as of Jan. 1, 2012, the time will finally come when those audits will kick in.

As most Insider readers are aware, "recovery audit contractors" (RACs), which the federal government has hired to audit physician claims, will be reviewing Medicaid claims soon thanks to last year's Patient Protection and Affordable Care Act. Although RAC audits were originally slated to impact Medicaid claims on April 1, 2011, CMS delayed that date, and did not make a subsequent announcement until Sept. 14, at which point the Federal Register posted a final rule indicating the audits will begin on Jan. 1, 2012.

In place for Medicare contractors since 2005, RACs are often referred to as medical "bounty hunters" because they only make money if they collect overpayments from you. Their income is specifically tied to the amount they recover, and is based on a percentage of the overpayments they identify.

The government projects that RAC audits could save the government over \$2 billion between 2012 and 2017, and a portion of those savings will go back to the states. "If we're going to spurt jobs and economic growth and restore long-term fiscal solvency, we need to make sure hard-earned tax dollars don't go to waste," Vice President **Joe Biden** said in a Sept. 14 news release.

To review the Federal Register article, visit www.ofr.gov/OFRUpload/OFRData/2011-23695_PI.pdf.