

Part B Insider (Multispecialty) Coding Alert

RECOVERY AUDIT CONTRACTORS: RACs Collect \$371.5 Million, But Many Oppose the Program

Described as -bounty hunters,- RACs are still frowned upon by many

If a recovery audit contractor (RAC) has visited your practice, you're not alone.

CMS announced last week that it had recovered \$371.5 million in improper Medicare payments last year, thanks to the help of RACs in California, Florida and New York.

In place since 2005, the RAC demonstration program has been picking up steam over the past year and is now targeting improper payments in California, Florida, New York, Massachusetts, South Carolina and Arizona.

-The RAC demonstration program has proven to be successful in returning overpayments to the Trust Fund and identifying ways to prevent future improper payments,- Acting CMS Administrator Kerry Weems said, touting the RACs- success rates. -We will use the lessons we learned from the demonstration program to help us implement the national RAC program next year.-

But other states aren't eager to welcome RACs into their regions, with reports from states within the demonstration program areas noting that they consider RACs to be tantamount to -bounty hunters- because the RAC contractors get paid based on how much money they collect. And in those states with current RAC programs, tensions are rising.

Congresswoman Lois Capps (D-Calif.) introduced legislation late last year that would institute a one-year moratorium on the RAC program. If voted into law, the moratorium would affect not just Capps- constituents, but the entire United States.

-We need to quickly enact this legislation to protect health care providers and patients in California and across the country from this deeply flawed Recovery Audit Contract program,- Capps said in a statement. -Unfortunately, CMS has botched this program from the start and it appears to be unwilling or unable to adequately address the serious problems with the program - CMS clearly isn't up to the task of fixing this problem, so Congressional intervention is necessary.-

To read more about the RAC program, visit www.cms.hhs.gov/RAC. For Capps- comment, see www.house.gov/list/speech/ca23_capps/morenews/pr110807_RAC.shtml.