

## MDS Alert

### Medicare Compliance: RACs Have Racked Up Millions Already, But Proposed Legislation Calls For Moratorium

The **Centers for Medicare & Medicaid Services** recently announced that the agency had recouped \$371.5 million in improper Medicare payments in FY 2007 alone, thanks to the help of RACs in California, Florida and New York. RACs uncovered \$14.3 million in underpayments refunded to health-care providers during FY 2007 (\$4.1 million in Florida, \$8.4 million in California and \$1.8 million in New York), according to CMS.

Implemented in 2005 as a demonstration project, the RACs are now auditing providers in California, Florida, New York, Massachusetts, South Carolina and Arizona. Plans call for expanding the program to 24 states by the end of the year.

Not everyone is in favor of the program. Rep. **Lois Capps** (D-Calif.) introduced legislation late last year that would institute a one-year moratorium on the RAC program. If passed by Congress, the moratorium would apply nationwide.

"Unfortunately," said Capps, "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."

For a map that shows where and when CMS plans to roll out the RACs, go to <http://www.cms.hhs.gov/RAC/Downloads/RAC%20Expansion%20Schedule.pdf>.