



# Protecting the Promise of Care Medicare

## **Recovery Audit Contractors Program**

CMS is currently implementing the permanent RAC program. The prior RAC demonstration program caused significant problems for hospitals in the five demonstration states. Based on that experience, the AHA worked with CMS on many improvements to the permanent RAC program currently wrapping up its first year of implementation. The AHA continues working to improve the RAC program through several approaches:

- Working with CMS to make the program more transparent and reasonable for hospitals;
- Offering the AHA RAC Education Series to provide hospitals with resources to help manage RAC audits and appeals; and,
- Developing legislation for further improvements to the RAC program. Some of the AHA's key legislative remedies include eliminating RAC medical necessity review and establishing a method to re-bill denied claims at a lower payment level.

*RACTrac*, an AHA-sponsored, Web-based survey to track the impact of RAC activity on hospitals, started quarterly data collection in early April. AHA created *RACTrac* to track and summarize the impact of RAC activity on hospitals nationwide. *RACTrac* is designed to provide timely, reliable data that can be used to advocate for changes to the RAC program going forward. Concerns raised by the AHA were noted in a recent Government Accountability Office report on the RAC program. The report concluded that CMS has failed to take the appropriate steps to prevent improper Medicare payments, one of the program's primary objectives. Also noted were problems related to the program's contingency fee payment structure, poor oversight of RAC determinations and administrative burden.