

CMS releases details on 2009 permanent Recovery Audit Contractors (RACs) program

The Centers for Medicare and Medicaid Services (CMS) recently made several announcements regarding the permanent Recovery Audit Contractors (RACs) program.

The permanent RAC program evolved from the three-year RAC demonstration project stipulated by the Medicare Modernization Act (MMA) of 2003. The purposes of the RACs are to identify overpayments and underpayments by CMS. The Tax Relief and Health Care Act (TRHCA) of 2006 made the RAC program permanent and authorized CMS to expand it to all 50 states by 2010.

Unlike the demonstration project, the permanent RAC program limits the medical-record review period to three years and prohibits audits on claims paid before Oct. 1, 2007. The program requires RACs to have a physician medical director and certified coders available to discuss denials with providers. RAC auditors must provide clinical credentials to providers upon request.

CMS also announced the number of medical records RACs may request per National Provider Identifier (NPI) for 2009. CMS will likely adjust these limits each year.

For Part B providers, the 2009 limits are:

- 10 medical records per 45-day period for solo practitioners;
- 20 medical records per 45-day period for two to five provider offices;
- 30 medical records per 45-day period for groups of six to 15 providers; and
- 50 medical records per 45-day period for groups of 16 or more providers.

For Part A claims, the 2009 maximum number of records RACs may demand varies by the hospital's NPI and will equal 10 percent of their average monthly Medicare claims. The RACs cannot request more than 200 records in a 45-day period for both inpatient and outpatient claims combined.

CMS also announced the four entities that received national RAC contracts. CMS intends to add more states to these contracts in 2009. The contractors are

- Region A: Diversified Collection Services Inc. in Maine , New Hampshire , Vermont , Massachusetts , Rhode Island and New York ;
- Region B: CGI Technologies and Solutions Inc in Michigan , Indiana and Minnesota ;
- Region C: Connolly Consulting Associates Inc. in South Carolina , Florida , Colorado and New Mexico ; and
- Region D: HealthDataInsights Inc. in Montana , Wyoming , North Dakota , South Dakota , Utah and Arizona .

[View the RAC expansion schedule](#)

