

RAC Audits to Resume

Protest Resolved: On February 4, 2009 the parties involved in the protest of the award of the Recovery Audit Contractor (RAC) contracts settled the protests. The settlement means that the stop work order has been lifted and CMS will now continue with the implementation of the RAC program.

Under the program, the four RACs will contract with subcontractors to supplement their efforts. PRG-Schultz, Inc. will serve as a subcontractor to HDI, DCS and CGI in regions A, B and D. Viant Payment Systems, Inc. will serve as a subcontractor to Connolly Consulting in region C. Each subcontractor has negotiated different responsibilities in each region, including some claim review.

The RAC in each jurisdiction is as follows:

Region A: Diversified Collection Services (DCS) -1-866-201-0580

Region B: CGI -1-877-316-7222, e-mail: racb@cgi.com

Region C: Connolly Consulting, Inc. -1-866-360-2507

Region D: HealthDataInsights, Inc.-Part A: 866-590-5598, Part B: 866-376-2319, e-mail: racinfo@emailhdi.com

All correspondence, websites and call centers will be in the name of the RACs above.

RAC Permanent Program: Section 302 of the Tax Relief and Health Care Act of 2006 makes the RAC Program permanent and requires the Secretary to expand the program to all 50 states by no later than 2010. See below for a link to the text of this legislation. This web page describes CMS' strategy for expanding from a 3-state demonstration RAC Program to a 50-state permanent RAC Program.

Implementation Strategy: By 2010, CMS plans to have 4 RACs in place. Each RAC will be responsible for identifying overpayment and underpayments in approximately 1/4 of the country. The new RAC jurisdictions match the DME MAC jurisdictions. See below for a link to the RAC Jurisdiction Map.

The RAC demonstration program has proven to be successful in returning dollars to the Medicare Trust Funds and identifying monies that need to be returned to providers. It has provided CMS with a new mechanism for detecting improper payments made in the past, and has also given CMS a valuable new tool for preventing future payments.

- **Step 1 - Expand the Current RACs:** In the Spring of 2007, CMS added one state to each of the current 3 RAC jurisdictions.
- **Step 2 - Full and Open Competition for 4 RAC Jurisdictions:** In the Spring of 2007, CMS began the process to procure 4 RAC contractors through a full and open competition. On March 16, 2007 CMS released a Request for Information (RFI) which contained a draft statement of work. On August 16, 2007 CMS released a pre-solicitation notice which contained a statement of work. On October 19, 2007, CMS released a Request for Proposal (RFP) which opened a Question and Answer period. On November 7, 2007, CMS posted a revised Statement of Work. Answers to the questions were posted on November 19, 2007. See below for link.

On October 6, 2008, CMS announced the names of the new national RACs. The new RACs are:

- **Diversified Collection Services, Inc. of Livermore, California**, in Region A, initially working in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and New York.
- **CGI Technologies and Solutions, Inc. of Fairfax, Virginia**, in Region B, initially working in Michigan, Indiana and Minnesota.
- **Connolly Consulting Associates, Inc. of Wilton, Connecticut**, in Region C, initially working in South Carolina, Florida, Colorado and New Mexico.
- **HealthDataInsights, Inc. of Las Vegas, Nevada**, in Region D, initially working in Montana, Wyoming, North Dakota, South Dakota, Utah and Arizona.

Additional states will be added to each RAC region in 2009