

## **Medicaid Recovery Audit Contractor (RAC) Program**

Medicaid Recovery Audit Contractors (RACs) are private entities with which the Executive Office of Health and Human Services (EOHHS) contracts to perform provider audits for MassHealth programs, in compliance with Section 6411 of the Patient Protection and Affordable Care Act (P.L.111-148): *Expansion of the Recovery Audit Contractor Program*, and related regulations published by the Centers for Medicare & Medicaid Services (CMS) at 42 CFR Part 455, Subpart F.

Pursuant to a Request for Responses, EOHHS selected the following contractors to function as RACs.

- Health Management Systems (HMS)—<http://www.medicaid-rac.com/>
- Connolly, Inc.—<http://www.connolly.com/>
- Washington & West, LLC—<http://www.washingtonwest.com/>

As directed by EOHHS, RACs will perform postpayment audits to identify potential underpayments and identify and recover overpayments in accord with applicable state and federal laws and regulations.

The goal of the RAC program, as required by the federal law and regulations noted above, is to correct improper payments, including both underpayments and overpayments, and guard against fraud, waste, and abuse within Medicaid programs.

### **Who will be impacted by the RAC program?**

All provider types may be subject to an EOHHS RAC audit.

### **When will RAC audits begin?**

RAC audits are scheduled to begin in the second quarter of FY 2013.

### **Where and how will these RAC audits occur?**

As directed by EOHHS, RACs may conduct the audits at the provider's site or may obtain records from the provider for a desk audit performed at the RAC's offices. If you are selected for an onsite audit, the RAC will notify you and schedule a date and time for the onsite audit. During the audit, the RAC will review Medicaid claims and relevant supporting documentation. If you are selected for a desk audit, you will receive a written request notifying you of the desk audit, together with a request to provide Medicaid claims and relevant supporting documentation to the RAC. In both instances, the RAC will review the provided information to ensure that the claims and supporting documentation follow all applicable laws, regulations, policies, etc. Any finding of overpayments or underpayments identified during the audit will be given to the provider and will include the applicable regulation or policy. You will have 30 days to respond in writing to the findings. The RAC will perform a final review and then send a letter containing its final audit results. If you disagree with the findings, you will have the right to request an adjudicatory and judicial review by replying in writing within 30 calendar days of the date of the letter. (See 130 CMR 450.237(B).)

### **What are some of the key requirements under RAC regulations?**

You can review the federal regulations that CMS has issued regarding the RAC program at 45 CFR Part 455, Subpart F. Certain key features are noted below.

- A Medicaid agency must coordinate the recovery audit efforts of RACs with other auditing entities.
- A Medicaid agency must make referrals of suspected fraud and/or abuse to the state's Medicaid Fraud Control Unit or other appropriate law enforcement agency.
- A Medicaid agency must set limits on the number and frequency of medical records to be reviewed by RACs, subject to requests for exceptions made by the RACs.

- RACs must work with the Medicaid agency to develop an education and outreach program (including notification of audit policies and protocols).
- RACs must provide minimum customer service measures, including:
  - providing a toll-free customer service telephone number in all correspondence sent to providers, and staffing the toll-free number during normal business hours from 8:00 A.M. to 4:30 P.M. in the applicable time zone;
  - compiling and maintaining provider-approved addresses and points of contact;
  - ensuring mandatory acceptance of provider submissions of electronic medical records on CD/DVD or via facsimile at the providers' request; and
  - notifying providers of overpayment findings within 60 calendar days.
- A Medicaid agency must provide appeal rights under either state law or administrative procedures to Medicaid providers that seek review of an adverse RAC determination.

### **Additional information**

The following links provide more information about the RAC program.

<http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-12-30-2011.pdf>

[https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/MedicaidIntegrityProgram/Downloads/scanned\\_document\\_29-12-2011.pdf](https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/MedicaidIntegrityProgram/Downloads/scanned_document_29-12-2011.pdf)