

Do You Know Your Medicare Fee-for-Service Contractors?

There's a virtual alphabet soup of Medicare contractors out there – all serving the agency in very different roles and during different times in the billing process. In fact, many providers think they are dealing with a Recovery Audit Contractor (RAC), when they are actually working with a Medicare Administrative Contractor (MAC) or a Zone Program Integrity Contractor (ZPIC). **Let's review the current Medicare contractors and what roles they play.**



Recovery Audit Contractor (RAC)

- Audits post-payment Medicare Fee-For-Service (FFS) claims to ensure the claims were billed according to Medicare policy
- Can only review audit issues approved by CMS
- Reviews are limited to only 0.5% of a provider's claims
- High rate of accuracy (95%) per an independent contractor
- The only Medicare contractor that pays providers for records requested, even electronic records

Timing: Reviews claims post-payment (after Medicare pays the provider)

Medicare Administrative Contractor (MAC)

- Enrolls a provider in the Medicare FFS program
- Processes Medicare FFS claim payments in a specific geographic region
- Handles provider reimbursement services
- Provides education for providers regarding billing requirements and responds to providers' questions
- May audit a provider's claims during both post-payment and prepayment review
- Have no limit to the number of records they can request from a provider
- Audits inpatient claims in addition to other care settings
- Establishes local coverage determinations (LCDs)
- Handles the first level of the appeals process

Timing: Can audit both prepayment or post-payment claims

Zone Program Integrity Contractor (ZPIC)

- Performs investigations specific to suspected instances of Medicare billing fraud and/or abuse
- Serve as the "Policemen" of the Medicare contractor world

Timing: If fraud and/or abuse is suspected an investigation will begin

Quality Improvement Organization (QIO)

- Assists Medicare providers with improvement and reviews quality concerns of claims
- Ensures that Medicare only pays for services and goods that are necessary and most appropriate
- Addresses beneficiary complaints and conducts quality care reviews
- Addresses provider-based notice appeals and violations of the Emergency Medical Treatment and Labor Act
- Conducts limited review of Part A inpatient claims (put on hold as of May 2016)

Timing: After services are provided, usually post-payment

Qualified Independent Contractor (QIC)

- Reviews claims during the second level of the appeals process

Timing: During the second level of appeals process

Supplemental Medical Review Contractor (SMRC)

- Is a CMS created contractor program primarily focused on investigating OIG and GAO report findings.
- They are paid on a per case basis.
- No limit on document requests.

Timing: Reviews medical records post payment