



The RAC Facts

The Recovery Audit Contractor (RAC) Program is the first line of defense for the Medicare Trust Fund, which loses \$60 Billion in waste each year.

Facts about the most successful Medicare integrity program in U.S. history.

FACT

RACs work on behalf of taxpayers and seniors to protect the limited program resources and increase Medicare integrity.

- ▶ RACs have recovered more than \$10 billion in improper Medicare payments since the program began in 2009, and review 0.5% of Medicare inpatient records from any given provider. – **CMS, 2015**
- ▶ From FY2012 to FY2013, RACs returned more money to the government than any other healthcare integrity initiative, earning the distinction of “Most Improved” program by the OIG. – **OIG, 2014**

FACT

The majority of RAC decisions are upheld on appeal.

- ▶ In FY2013, only 9.3 percent of all Recovery Auditor determinations have been challenged and later overturned on appeal. – **CMS, 2014**
- ▶ “The receipt of appeals and reversal of a RAC decision does not necessarily mean the auditor was incorrect in its interpretation of Medicare policy.” – **CMS, 2014**
- ▶ “Some of these appellants appeal every payment denial.” – **OIG, 2012**

FACT

RACs are highly accurate.

- ▶ RACs have an average accuracy rating of 96.3%. – **CMS, 2015**

Cumulative Accuracy Score by Recovery Auditor

Region A	96.4%
Region B	91.5%
Region C	98.7%
Region D	98.6%

AVERAGE ACCURACY SCORE 96.3%

FACT

Disruptions to Medicare oversight hurts taxpayers, seniors and the Medicare Trust Fund.

- ▶ In FY2013, Medicare lost \$46 billion to overbillings by providers, amounting to more waste than any other federal program. – **HHS, 2014**
- ▶ Since 2011, the rate of Medicare improper payments has risen steadily from 8.6% to 12.1%. – **CMS, 2015**
- ▶ The Medicare Trust Fund will be insolvent by 2026. – **CBO, 2016**

FACT

The RAC program pay structure and penalties promote accuracy above all.

- ▶ Lawmakers mandated RACs to be paid by contingency fee in the Tax Relief and Health Care Act of 2006.
- ▶ In addition to absorbing the front-end cost of auditing, “if an improper payment determination is overturned at any level of appeal, the Recovery Auditor contingency fee must be returned to CMS. This process helps ensure the accuracy of the Recovery Auditors’ reviews.” – **CMS, 2012**

COUNCIL FOR
MEDICARE
INTEGRITY

www.medicareintegrity.org

SUPPORT THE RAC PROGRAM • PROTECT THE MEDICARE TRUST FUND