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## CMS Updates Its RAC Data

By: [Leslie Demaree Goldsmith](#)

CMS recently published an update [PDF] to its evaluation of the three-year Recover Audit Contractor (RAC) Demonstration Project, which ended in March of 2008. The project was established by Congress in the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). The jurisdictions chosen for the project initially were California, Florida and New York, because these states had the largest Medicare utilization. The project was expanded to include Arizona, South Carolina and Massachusetts. CMS awarded the RAC contracts to PRG-Schultz, HealthDataInsights and Connolly Consulting.

CMS's recently released report provides updated and corrected data for the demonstration project. The data reflects that providers appealed 12.7% of the RACs' 598,238 overpayment determinations. Significantly, 64.4% of all appealed claims were won by providers.

### Ober|Kaler's Comments

With such a high success rate for appeals, providers with RAC overpayment determinations in the future should seriously consider pursuing appeals. Although not part of the report, many providers have reported that they have found their highest success rates at the Administrative Law Judge stage, so providers that appeal should not expect quick reversals of disallowances at the earlier redetermination or reconsideration stages.