

We're fighting fraud, waste and abuse in Medicare Parts C and D. Join us.

What is the cost of improper Medicare payments?

Improper payments cause billions of dollars in annual losses to the Medicare Program. A report by the U.S. Government Accountability Office estimated that improper payments totaled \$48 billion in FY 2010. This number accounts for roughly one-third of the estimated total improper payments for the federal government.

What does a Part C or Part D Recovery Audit Contractor (RAC) do?

The RACs identify and correct Medicare improper payments. RACs detect and collect overpayments made to plan sponsors (organizations that offer Medicare Advantage and/or Prescription Drug Plan coverage) and pharmacies and also identify underpayments. As a result of these measures, CMS can implement actions to prevent future improper payments nationwide.

1 Identifying and correcting past improper payments to plan sponsors and pharmacies

2 Implementing procedures to prevent future improper payments

3 Referring any potential fraud findings identified during the auditing process to CMS' NBI MEDIC

Improper payments siphon billions of dollars from Medicare each year

Examples include:

- Payments to excluded providers

What is the RAC's role in fighting Medicare Advantage and Prescription Drug fraud?

In March 2010, the Affordable Care Act (ACA) expanded the use of the RACs to Medicare Part C (Medicare Advantage) and Part D (Prescription Drug) programs. This enhances the agency's current efforts to further reduce fraud, waste and abuse (FWA) in Medicare programs. Unlike anti-fraud organizations, the RACs exist first to identify improper payments. If they uncover incidences of FWA, this is referred to other CMS entities, such as the NBI MEDIC (1-877-7SAFERX [1-877-772-8879]), for further investigation.

Who are the Medicare Parts C and D RACs?

The ACA required CMS to expand the use of RACs in the Medicare Advantage and Prescription Drug programs. CMS awarded the Medicare Part D RAC contract to ACLR, LLC.

Tips for plan sponsors on the Parts C & D RAC program

Plan sponsors must ensure they maintain an effective compliance program to prevent, detect and correct FWA and address the various payment risk areas under the Medicare Advantage (Part C) and Prescription Drug programs (Part D).

Having an effective compliance program that includes measures to prevent, detect and correct noncompliance is key to ensuring a plan sponsor's payments and performance under the Medicare Advantage and Prescription Drug programs are compliant.

A plan sponsor's investigative staff should coordinate closely with Part D RAC audits and respond to potential FWA by developing appropriate corrective or disciplinary actions if necessary to prevent future occurrences.

Part D RAC updates

- The Part D RAC has concluded its review of excluded providers for 2007 through 2011 and has recovered over \$4.5 million in improper payments to date.
- Current studies include: unauthorized prescribers, DEA schedule refill errors.

Get the latest information

CMS provides additional information and tools for plan sponsors on its website including frequently asked questions (FAQs), a standardized appeal form and instructions, online training and job aids. Go to <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/recovery-audit-program-parts-c-and-d/>

To learn more about how to spot and report Medicare fraud, waste and abuse, go to <http://medic-outreach.rainmakersolutions.com>

If you spot potential fraud, call 1-877-7SafeRx (1-877-772-3379)