

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1841	Date: May 5, 2017
	Change Request 10051

SUBJECT: Medicare Fee-for-Service Recovery Audit Contractor (RAC) Data Centers

I. SUMMARY OF CHANGES: On October 31st, 2016, CMS awarded the next round of Medicare FFS RAC contracts, for five different regions. The RACs in Regions 1-4 will perform postpayment review to identify and correct Medicare claims that contain improper payments (overpayments or underpayments) that were made under Part A and Part B, for all provider types other than Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) and Home Health/Hospice. The Region 5 RAC will be dedicated to the postpayment review of DMEPOS and Home Health/Hospice claims nationally. The jurisdictions for the RAC Regions 1-5 vary from the previous Regions A-D, therefore, the MACs that interface with Regions 1-5 will need to establish and test connectivity with their respective RAC regions.

EFFECTIVE DATE: June 6, 2017

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: June 6, 2017

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. Background: Section 1893(h) of the Social Security Act authorized the Medicare FFS Recovery Audit Program expansion nationwide by January 2010. CMS originally awarded four regional RAC contracts, Regions A – D.

Respectively, each Region established their own, unique data centers. These data centers interfaced with the Medicare Administrative Contractors (MACs) with jurisdiction in their states. The MACs shall maintain the ability to interface with Regions A - D through the life of their respective contracts ending January 2018.

On October 31st, 2016, CMS awarded the next round of Medicare FFS RAC contracts, for five different regions. The RACs in Regions 1-4 will perform post payment review to identify and correct Medicare claims that contain improper payments (overpayments or underpayments) that were made under Part A and Part B, for all provider types other than Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) and Home Health/Hospice. The Region 5 RAC will be dedicated to the post payment review of DMEPOS and Home Health/Hospice claims nationally.

The jurisdictions for the RAC Regions 1-5 vary from Regions A-D, therefore, the MACs that interface with Regions 1-5 will need to establish and test connectivity with their respective RAC regions.

B. Policy: Section 302 of the Tax Relief Act and Health Care Act of 2006.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C S	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
10051.1	The MACs shall maintain their connectivity with the initial RAC (Regions A-D) data centers until the conclusion of their contracts, scheduled for January, 2018.	X	X	X	X						RACs, VDCs
10051.2	The MACs shall establish connectivity with the Region 1-5 RAC data centers. NOTE: No MAC action shall be taken if the MAC	X	X	X	X						RACs, VDCs

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	already has established connectivity with their respective RAC(s).									
10051.3	The MACs shall test the ability to transfer data to and from the Regions 1-5 data centers once connectivity is established.	X	X	X	X					RACs, VDCs

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Ashley Ford, 410-786-0828 or Ashley.Ford@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question

and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0