

## Medicare Fee-for-Service Recovery Audit Program

### Additional Documentation Limits for Medicare providers (except suppliers and physicians)

The Centers for Medicare & Medicaid Services (CMS) has modified the additional documentation request (ADR) limits for the Recovery Auditor program for providers. The revised limits will be effective January 1, 2016.

Each provider's annual limit will be based on the number of Medicare claims paid in the previous year that are associated with their 6-digit **CMS Certification Number (CNN)** and the provider's **National Provider Identifier (NPI)** number.

1. The annual ADR Limit will be **one-half of one percent** (0.5%) of the provider's total number of paid Medicare claims from the previous year.
2. ADR letters are sent on a 45-day cycle. The annual ADR Limit will be divided by eight to establish the ADR cycle limit, which is the maximum number of claims that can be included in a single 45-day period. Although the Recovery Auditors may go more than 45 days between record requests, in no case shall they make requests more frequently than every 45 days.

For example:

- Provider A billed and was paid for 22,530 Medicare claims in 2014. The provider's ADR limit would be  $22,530 \times 0.005$ , which is 112.65. The ADR cycle limit would be  $112.65 / 8 = 14.08$  and would be rounded to **14** additional documentation requests per 45 days.
  - Provider B billed and was paid for 255,000 Medicare claims in 2014. The provider's ADR limit would be  $255,000 * 0.005$ , which is 1,276. The ADR cycle limit would be  $1,276 / 8$ , which is 159.375 and would be rounded to **159** additional documentation requests per 45 days.
3. ADR limits will be diversified across all claim types of a facility, based on the Types of Bill (TOB) that the provider was paid for in the previous year.
  4. CMS will adjust a provider's ADR limit based on the provider's compliance with Medicare rules. Providers with low denial rates will have ADR limits decreased, while providers with high denial rates will have their ADR limits increase.
  5. CMS reserves the right to establish a different record limit when directing the Recovery Auditors to conduct reviews of specific topics or providers.

Questions concerning this update can be directed to [RAC@cms.hhs.gov](mailto:RAC@cms.hhs.gov).