

## Recovery Audit Demonstration

**Background:** In section 306 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Congress directed the Department of Health and Human Services (DHHS) to conduct a 3-year demonstration program using Recovery Audit Contractors (RACs) to detect and correct improper payments in the Medicare FFS program. The Recovery Audit Contractor (RAC) demonstration program was designed to determine whether the use of RACs will be a cost-effective means of adding resources to ensure correct payments are being made to providers and suppliers and, therefore, protect the Medicare Trust Fund. The demonstration operated in New York, Massachusetts, Florida, South Carolina and California and ended on March 27, 2008. See link to the left to find out about the permanent program.

In February CMS released the 2007 RAC Status Document. This report focuses on the operations and findings of the CMS claim RAC program during fiscal year (FY) 2007 (October 1, 2006 - September 30, 2007). Click on the link below for the full report.

In July, CMS released an evaluation report of the entire 3-year Recovery Audit Contractor (RAC) demonstration. This report presents an evaluation of the Medicare RAC demonstration from its inception in 2005 through March 27, 2008. CMS will release updates to this RAC Evaluation Report on a regular basis at least through the summer of 2008. The update reports will contain updated appeals and other statistics. See below for a link to the report.

**For Concerns about the RAC Demonstration Program:** Contact the RAC Project Officer at [RAC@cms.hhs.gov](mailto:RAC@cms.hhs.gov)

### **Downloads**

[June 2010 RAC Demonstration Appeal Update \[PDF, 50.2KB\]](#)

[Appeal Update through 8/31/08 of RAC Evaluation Report \[PDF, 66KB\]](#)

[Appeal Update through 6/30/08 of RAC Evaluation Report \[PDF, 90KB\]](#)

[CMS RAC Demonstration Evaluation Report \[PDF, 705KB\]](#)

[CMS RAC Status Document 2007 \[PDF, 253.24KB\]](#)

[CMS RAC Status Document 2006 \[PDF, 482KB\]](#)

[Revision History for CMS RAC Status Document 2006 \[PDF, 24.0KB\]](#)

[Revision History for CMS RAC Status Document 2007 \[PDF, 23.5KB\]](#)

**Related Links Inside CMS**

[2005 RAC Medlearn Article 469 Announcing the RAC Project, RAC Legislation, and RAC States \[PDF, 79.75 KB\]](#)

[2005 RAC Medlearn Article 565 Announcing the Names of the Demonstration RACs in CA, FL, and NY \[PDF, 72.67 KB\]](#)

[MLN Matters Article SE1027 \[PDF, 85 KB\]](#)

[MLN Matters Article SE1028 \[PDF, 74 KB\]](#)