

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-06 Medicare Financial Management</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 296</b>	<b>Date : December 8, 2017</b>
	<b>Change Request 10349</b>

**NOTE: This Transmittal is no longer sensitive and is being re-communicated January 9, 2018. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.**

**SUBJECT: Cessation of MAC Validation of Recovery Audit Program New Issues**

**I. SUMMARY OF CHANGES:** This Change Request (CR) calls for the cessation of MAC Validation of Recovery Audit Contractor (RAC) New Issue Packages as prescribed by CR 7733.

**EFFECTIVE DATE: January 1, 2018**

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

**IMPLEMENTATION DATE: January 2, 2018**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	4/100.17/Validation of Recovery Audit Program New Issues

**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:**

**Business Requirements  
Manual Instruction**

# Attachment - Business Requirements

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## I. GENERAL INFORMATION

**A. Background:** CR 7733 required the MAC/Contractor to participate in the validation of new issues presented for Recovery Auditor review. This CR calls for the cessation of that process and establishes new requirements for Recovery Auditor review approval.

**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	Shared- System Maintainers				Other		
		A	B		F I S S	M C S	V M S	C W F			
10349.1	The contractor shall no longer send new issue packages or claims samples to their respective MACs prior to the Centers for Medicare & Medicaid Services (CMS) approval for validation. Rather, the RAC shall send their proposal packages to CMS.										RACs
10349.2	The contractor shall no longer be required to submit to CMS a Validation report for RAC new issue packages.	X	X	X	X						
10349.3	The contractor shall participate in conference calls with CMS on ad hoc basis when needed to discuss review topics.	X	X	X	X						RACs

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E D I	C
		A	B	H H H	M A C	
	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**

## **100.17 - Validation of Recovery Audit Program New Issues**

***(Rev.296, Issued: 12-08-17, Effective: 01-01-18, Implementation: 01-02-18)***

*The RAC shall no longer send new issue packages or claims samples to their respective MACs prior to CMS approval for validation. Rather, the RAC shall send their proposal packages to CMS for consideration and approval.*

*As a result, the MAC shall no longer be required to submit to CMS a Validation report for RAC new issue packages. However, the MACs shall participate in conference calls with CMS on ad hoc basis when needed to discuss review topic questions if they arise during or after the approval process.*