



**American Hospital  
Association**

# ADVOCACY UPDATE

## *Action Alert!*

Tuesday, November 13, 2007

**NEED ACTION FROM .....** *Hospital leaders*  
**ACTION .....** *Urge your House member to cosponsor  
H.R. 4105 to delay RAC implementation*  
**WHEN .....** *Immediately*  
**HOW .....** *Call or e-mail your representative*  
**WHY .....** *Bill allows time to address concerns  
about RAC problems*

### **NEED COSPONSORS FOR HOUSE BILL THAT WOULD DELAY RAC IMPLEMENTATION**

We need a congressional show of support for AHA-backed legislation that places a one-year moratorium on the Centers for Medicare & Medicaid Services' (CMS) Medicare Recovery Audit Contractor (RAC) program. Sponsored by Reps. Lois Capps (D-CA) and Devin Nunes (R-CA), H.R. 4105 also directs CMS to provide Congress with a detailed program status report and instructs the Government Accountability Office to investigate the accuracy and efficiency of RACs and whether they are in compliance with Medicare policy concerning denials and appeals. RACs, currently operating in California, Florida, Massachusetts, New York and South Carolina, identify improper Medicare overpayments and underpayments and are paid on a contingency fee basis, receiving a percentage of the improper payments they identify and collect. While CMS last week released a revised "statement of work" that delays the program's implementation for hospitals in some states, CMS still plans to begin implementing RACs in March 2008 without correcting all of the problems from the demonstration.

By delaying implementation, the Capps-Nunes moratorium allows time to address serious problems with RACs, including more appropriate payment incentives, greater oversight and greater transparency of their processes.

***Please ask your House member to cosponsor H.R. 4105  
and delay CMS' implementation of RACs***

*(Call 1-877-242-2240 or e-mail [AHAadvocacy@aha.org](mailto:AHAadvocacy@aha.org)  
to let us know how your Hill contacts go ... thanks!)*