



**American Hospital
Association®**

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STATEMENT ON MEDICARE AUDIT IMPROVEMENT ACT OF 2013

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The AHA strongly supports the Medicare Audit Improvement Act of 2013. It will provide needed oversight of CMS audit contactors and ensure the accuracy of Medicare and Medicaid payments.

America's hospitals take seriously their obligation to properly bill for the services they provide to Medicare and Medicaid beneficiaries and recognize the need for auditors to identify billing errors. However, a flood of auditing programs (Recovery Audit Contractors, Medicare Administrative Contractors and Comprehensive Error Rate Testing Contractors) is drowning hospitals with a deluge of duplicative audits, unmanageable medical record requests and inappropriate payment denials, diverting resources from care to redundant government audits. In fact, when hospitals decide to commit the time and resources necessary to fight RAC denials in the Medicare appeals process, they are successful at overturning the RAC denial 72 percent of the time.

This legislation provides much needed guidance for auditors while keeping them out of making medical decisions that should be between patients and their physicians. It also will improve recovery auditor transparency and allow denied inpatient claims to be billed as outpatient claims when appropriate.

We applaud the leadership of Representatives Graves and Schiff for introducing this important legislation and encourage quick passage by Congress.

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