



Client Alert



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CMS Announces New Recovery Audit Contractors

On October 6, 2008, the Center for Medicare & Medicaid Services announced four new permanent Recovery Audit Contractors ("RACs").

The RACs are created by the Tax Relief and Health Care Act of 2006 and are charged with the responsibility of helping identify improper Medicare payments nationally. CMS first employed a demonstration project utilizing RACs in Arizona, California, Florida, Massachusetts, New York, and South Carolina, which resulted in \$900 million in overpayments being returned to Medicare and nearly \$38 million in underpayments to health care providers from 2005 - 2008.

The new RACs include (1) Diversified Collection Services, Inc. of Livermore, California, in Region A, initially working in Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont; (2) CGI Technologies and Solutions, Inc. of Fairfax, Virginia, in Region B, initially working in Indiana; Michigan, and Minnesota; (3) Connolly Consulting Associates, Inc. of Wilton, Connecticut, in Region C, initially working in Colorado, Florida, New Mexico, and South Carolina; and (4) HealthDataInsights, Inc. of Las Vegas, Nevada, in Region D, initially working in Arizona, Montana, North Dakota, South Dakota, and Utah. Additional states will be added to each RAC region in 2009. The RACs will be paid on a contingency fee basis on both the overpayments and underpayments they find.

For more information, please [click here](#) or contact Tracy M. Field.

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