

# Evaluation of the Impact of CMS's Recovery Audit Contractors Initiative on the Medicare Provider Community

Client: U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services

## Overview

This 3-year demonstration assessed the effectiveness of using Recovery Audit Contractors (RACs) to identify and recover over- and underpayments made to Medicare providers while also incurring minimal burden on the provider community (e.g., physicians, providers, suppliers who provide services paid under Medicare). California, New York, and Florida were selected for this demonstration based on their high per capita Medicare expenditure amounts.

As a subcontractor to Econometrica, Insight—

- Conducted discussion groups with providers and suppliers in New York and Florida to obtain feedback on their perceptions of the RAC demonstration project and their experiences working with each RAC in their states

- Conducted a Provider Satisfaction Survey of the pilot RACs, modeled after the Medicare Contractor Provider Satisfaction Survey
- Compiled a sampling frame of providers in each of the three states
- Formed the sampling units based on enterprise and establishment
- Developed screening procedures
- Analyzed results from 2,400 providers

The results, along with an assessment of the financial impact of the demonstration on the Medicare program, informed recommendations for the demonstration's extension or expansion. Following implementation of the project nationwide, Insight led the development of an ongoing sampling and estimation process to provide a representative set of claims from each RAC to estimate the RAC monthly accuracy rate.

## Products

Final report, *RAC Demonstration Briefing Report and Provider Survey*, as part of larger report *The Medicare Recovery Audit Contractor (RAC) Program: An Evaluation of the 3-Year Demonstration* (June 2008)

