

December 3, 2015

The Honorable George Holding
U.S. House of Representatives
507 Cannon House Office Building
Washington, DC 20515

Dear Representative Holding:

The undersigned surgical organizations would like to thank you for your leadership in introducing H.R. 2568, the Fair Medical Audits Act of 2015. This legislation would provide much needed transparency and due process in the current RAC audit and appeals process.

As you know, the Centers for Medicare and Medicaid Services (CMS) hires Recovery Audit Contractors (RACs) to identify and prevent improper payments to Medicare providers. There is a growing concern by many physicians that the lack of accountability has resulted in inaccurate audit findings and high volumes of appeals. In fact, the Office of Inspector General (OIG) found that nearly half of the audits that are appealed by providers are overturned by CMS judges in favor of the provider.

The current lack of transparency in the audit process hampers these “good actors” in Medicare from understanding their errors and improving their future compliance rates. Providers are already struggling to adapt to evolving billing and payment rules in the Medicare program, and the flaws in the audit and appeals process impose additional significant administrative and financial burdens. H.R. 2568 addresses this lack of transparency and due process in the RAC audit and appeal process by:

- Enhancing transparency in the audit process to improve compliance;
- Improving the claim review process by requiring RACs to have appropriate knowledge and experience requirements;
- Promoting provider education while increasing RAC accountability for inaccurate audit findings;
- Ensuring accuracy of overpayment amounts calculated by extrapolation;
- Requiring contractors to reimburse certain documentation requests to reduce provider burdens;
- Delaying payment to RACs until after an external appeal; and
- Reducing the appeals backlog by shortening the RAC “Look-Back” period.

Again, thank you for your leadership in introducing this legislation. We look forward to working with you to advance H.R. 2568 to ensure that audits are conducted in a fair and transparent manner.

Sincerely,

American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Ophthalmology
American Academy of Otolaryngology—Head and Neck Surgery
American Association of Orthopaedic Surgeons
American College of Surgeons
American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of Ophthalmic Plastic and Reconstructive Surgery
American Society of Retina Specialists
American Urological Association
The Society of Thoracic Surgeons