

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Center for Program Integrity

DATE: June 14, 2013

TO: All Medicare Advantage Organizations and Prescription Drug Plan Sponsors

FROM: Tim Hill, Acting Director, Medicare Program Integrity Group (MPIG)

RE: Upcoming Medicare Part D Recovery Audit Contractor (RAC) Program Audit Review

The Centers for Medicare & Medicaid Services (CMS) continues its series of communications about the Medicare Parts C & D RAC Program to keep Medicare Advantage and Part D plan sponsors informed about upcoming RAC activities.

Section 6411(b) of the Affordable Care Act expands the use of RACs to all of Medicare (Title XVIII), amending the existing Medicare fee-for-service RAC statute at section 1893(h) of the Act. The amendments to 1893(h) of the Act provide CMS with general authority to enter into contracts with RACs to identify overpayments and underpayments and recoup overpayments in Medicare Advantage and Part D.

The Medicare Part D RAC has finished its Excluded Provider Audit for the 2007 plan year, and has now begun its review of **excluded providers for plan years 2008-2009**.

As with the 2007 review, Plan Sponsors affected by the upcoming audit will receive a **Notification of Improper Payment Letter (NIP)** and will be provided a **two-tiered appeals process**.

If you receive a NIP, you must **adhere to appeal deadlines and instructions** regarding Prescription Drug Event (PDE) corrections to avoid any compliance actions.

In the coming months, CMS will provide additional Parts C&D RAC information and tools including FAQ's, standard appeals form, online training, and job aids.

For more information on the Medicare Part D RAC, go to: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/recovery-audit-program-parts-c-and-d/index.html>.

If you have any questions, please contact PartD_RACCommunications@cms.hhs.gov.