



April 24, 2013

Ms. Marilyn Tavenner, Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, Maryland 21244

RE: Recovery Audit Contractor Selection

Dear Ms. Tavenner,

We are writing to urge the Centers for Medicare & Medicaid Services (CMS) to select contractors for the Medicare Recovery Audit program based on their qualifications, Medicare fee-for-service auditing experience, and responsiveness to the providers and suppliers they audit. We believe strongly that the RACs should not be selected based on which contractor submits the lowest bid for the work, without serious consideration of the quality of the work and their responsiveness both to the hospitals they audit and to the agency.

As representatives of Medicare-participating hospitals that come in contact with the program's Recovery Audit Contractors on a daily basis, we have a tremendous stake in ensuring that the Recovery Audit program is administered as efficiently, competently, and fairly as possible. We have expressed our concerns to CMS in the past about the enormous time and resources hospitals have had to devote to appealing erroneous findings by some RACs and to working with contractors that have been unresponsive, at times, to member communications. These problems cost money for the hospitals, the system as a whole, and CMS is not getting good value on their contracts.

Our interest is in ensuring that the Recovery Audit program, whatever its scope, is administered by contractors who employ highly-qualified and experienced claims reviewers, who are serious about a collaborative relationship with the hospitals they audit, who are committed to providing excellent customer service and responding promptly and fairly to our requests and concerns; and who are accountable for the work they perform under their contracts. It is penny-wise and pound-foolish to

Marilyn Tavenner, R.N.

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select the cheapest auditor, and it benefits neither the Medicare trust fund nor hospitals when RACs do poor quality work that leads to several levels of appeals of incorrect findings.

Although we do not have a formal voice in the contractor selection process, we hope you will take our perspective into account. We would welcome an opportunity to discuss our concerns about the Recovery Audit program with you in the near future.

Sincerely,



J. Kirk Norris
President and CEO
Iowa Hospital Association



Laura J. Redoutey, FACHE
President and CEO
Nebraska Hospital Association



Thomas L. Bell
President
Kansas Hospital Association



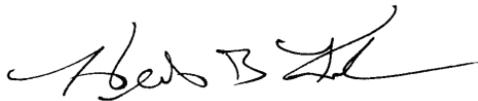
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