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## RACs Bark, ZPICs Bite

By: [Paul W. Kim](#)

Please do not misunderstand. The Recovery Audit Contractors (RACs) are no teddy bears. However, more recently, the Zone Program Integrity Contractors (ZPICs) have been more active and causing more problems for Medicare providers and suppliers. There are several reasons why the ZPICs may be more worrisome than the RACs. Unlike the RACs, the ZPICs are tasked to identify Medicare fraud, waste, and abuse and may make referrals to other federal and state agencies. ZPICs may audit a statistical sample of post-payment claims and extrapolate the error rate to the full universe of claims to compute the overpayment amount. Also, ZPICs may place a provider or supplier under pre-payment review. Perhaps, like the RACs, the ZPICs want to be compensated on a percentage-based contingency fee arrangement. Regardless, because the Medicare claims appeal process is the same for claims denied by RACs or ZPICs, the RAC Man may have to consider changing his name to the ZPIC Guy. [See RAC Man's past articles in Payment Matters, as well as other articles on RAC appeals, here.](#)

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