

Health Headlines

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RAC Prepayment Review Demo Postponed Indefinitely

CMS announced on December 29, 2011 that it will postpone implementation of the Recovery Audit Prepayment Review demonstration that was scheduled to begin January 1, 2012. Implementation has been delayed in order to allow CMS to carefully consider the many comments and suggestions it received on the program, which was announced in November. While the start date is still unknown, CMS has said it will provide at least 30 days' notice before the demonstration begins.

Under the Prepayment Review program, RACs will be authorized to review Part A claims that have high rates of improper payments before they are paid. In particular, CMS has announced that the Prepayment Review demo will focus on inpatient claims involving short stays. Once the demonstration begins, it will run for 3 years in eleven states: “seven states with high populations of fraud- and error-prone providers (FL, CA, MI, TX, NY, LA, IL) and four states with high claims volumes of short inpatient hospital stays (PA, OH, NC, MO).” CMS’s official notice regarding the postponement is available by clicking [here](#).

Similarly, the Prior Authorization of Power Mobility Devices demonstration, which was slated to begin January 1, 2012 in “seven states with high populations of fraud- and error-prone providers (CA, IL, MI, NY, NC, FL, and TX),” was also delayed indefinitely.

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