



The Fair Medical Audits Act of 2015 (“FMAA”) would add much-needed transparency and efficiency to Medicare audit program, while educating physicians on how to better comply with Medicare coding, documentation and coverage requirements to avoid honest mistakes.

How the FMAA will Benefit Physician Practices:

- ✓ **Makes the audit process much more transparent.** The FMAA requires Recovery Audit Contractors (“RACs”) to provide pre-audit notification and post-audit reporting to physicians and other health care providers regarding specific information relating to an audit. Increasing transparency will help address confusion and create a more educational audit process by helping physicians to better understand audit findings and reduce the risk of repeated errors.
- ✓ **Establishes more rigorous qualifications for RAC officials performing claim reviews.** The complex nature of medical audits and the need to address the high reversal rate for appealed overpayment determinations warrant more rigorous qualifications for RAC reviewers.
- ✓ **Increases RAC accountability for inaccurate audits.** The current system is a bounty hunter approach that creates financial incentives for auditors to make overzealous and often-inaccurate audit findings. FMAA establishes financial penalties for RACs for inaccurate audit findings, while creating new incentive payments for RACs who voluntarily educate providers on common errors.
- ✓ **Delays payment to auditors until after an external appeal.** The FMAA would delay RAC payments until claims are subject to external review – currently the third level of appeal – to help ensure providers are not subject to premature and unfair recoupment.
- ✓ **Promotes more targeted documentation requests by RAC auditors.** Physician practices have struggled with the administrative and financial burdens that RAC correspondence and production requests often impose. The FMAA would help to address this by compensating providers for certain documentation requests.
- ✓ **Requires a sound extrapolation formula for determining overpayment amounts.**
- ✓ **Shortens “look-back” period from 4 years to 2 years.** Shortening the look-back period to 2 years would more effectively address the appeals backlog and provide much-needed administrative relief for providers.