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February 12, 2008

The Honorable Lois Capps
U.S. House of Representatives
1110 Longworth House Office Building
Washington, DC 20515

Dear Congresswoman Capps:

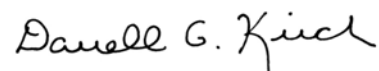
On behalf of the Association of American Medical Colleges (AAMC), I write to express our support for H.R. 4105, *The Medicare Recovery Audit Contractor Program Moratorium Act of 2007*. The AAMC represents all 126 accredited U.S. medical schools, nearly 400 major teaching hospitals and health systems, and 94 professional and academic societies with 109,000 medical school faculty members. We applaud your leadership in addressing hospitals' concerns regarding the Medicare recovery audit contractor (RAC) program and thank you for your initiative.

Authorized by the *Medicare Modernization Act of 2003*, the RAC program was established as a demonstration program in select states to identify improper Medicare payments – both overpayments and underpayments. *The Tax Relief and Health Care Act of 2006* made the RAC program permanent and authorized the Centers for Medicare & Medicaid Services (CMS) to expand the program to all 50 states by 2010. CMS recently announced it intends to extend the RAC program to all states as early as January 2009. Unfortunately, throughout the demonstration, RACs have aggressively targeted provider payments with little administrative oversight from CMS. A contingency payment of as much as 30 cents of every Medicare dollar recouped by the contractor has resulted in sometimes abusive behavior by RACs towards Medicare providers.

Despite these problems, CMS intends to continue to expand the program nationwide. Your bill, H.R. 4105, would place a moratorium on all RAC activities for a year, allowing CMS time to address ongoing problems with the demonstration program while giving the Government Accountability Office the opportunity to evaluate the effectiveness of the RAC program as a whole.

Thank you again for your attention to this important issue. We look forward to working with you to enact this legislation. Please contact Atul Grover, MD, Office of Governmental Relations, at 202.828.0666 with any questions.

Sincerely,


Darrell G. Kirch, MD
President and CEO