

United States Senate

SPECIAL COMMITTEE ON AGING
WASHINGTON, DC 20510-6400
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April 6, 2022

VIA ELECTRONIC TRANSMISSION

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Comptroller General Dodaro:

Thank you for everything you do in the pursuit of greater transparency and accountability within the federal government. Making Washington work for families across the nation is a top priority, and we are working every day to make sure taxpayers get the best return on their investment.

Since its creation in 1965, Medicaid has experienced significant growth in both the size of the population it serves and its cost. In 1970, Medicaid accounted for 1.4% of the federal budget. By 1978, Medicaid covered approximately 9% of the total U.S. population. By 2018, more than 25% of the U.S. population was enrolled in Medicaid/ Children's Health Insurance Program (CHIP).¹ Combined, Medicaid and CHIP accounted for 17.2% of national health expenditures in Calendar Year 2017 and almost 10% of total federal spending.² Medicaid's size, growth, and its complexity have led GAO to classify it as a high-risk program since 2003.³

In 2003, Congress created a pilot program in Medicare for recovery audit contractors to help eliminate waste,⁴ and after three years, the program corrected more than \$1.03 billion in improper Medicare payments.⁵ In 2010, Congress extended the Recovery Audit Contractor (RAC) program into Medicaid as a means to stop improper payments.⁶

Unfortunately, over the last decade, there has been little oversight of the Medicaid RAC program. We are requesting that GAO review the Medicaid RAC program and answer the following questions:

¹ MACPAC MACStats 2019 (<https://www.macpac.gov/wp-content/uploads/2020/01/MACStats-Medicaid-and-CHIP-Data-Book-December-2019.pdf>)

² MACPAC MACStats 2019

³ <https://www.gao.gov/assets/700/697245.pdf> (page 250)

⁴ Section 306 of the Medicare Modernization Act of 2003

⁵ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/recovery-audit-program-parts-c-and-d/Program-History-and-Authorities>

⁶ Section 6411(b) of the Patient Protection and Affordable Care Act

1. How have states used the Medicaid RAC program to address strategic program integrity needs, including audits of managed care, and what are the lessons learned?
2. What steps do the states and the Centers for Medicare & Medicaid Services (CMS) take to coordinate state Medicaid RAC program audits and other program integrity efforts? This includes existing Medicaid integrity programs such as the Unified Program Integrity Contractors, Payment Error Rate Measurement program, state auditors and Medicaid Fraud Control Units.
3. How do states and CMS oversee the Medicaid RAC program and what mechanisms are in place to appropriately refer suspected cases of fraud?

Thank you for continuing to work to eliminate waste in the federal government to make Washington work better for all families. We look forward to hearing from you.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tim Scott", with a long horizontal flourish extending to the right.

Senator Tim Scott
Ranking Member

A handwritten signature in blue ink, appearing to read "Rick Scott", with a long horizontal flourish extending to the right.

Senator Rick Scott