Additional Documentation Limits for Durable Medical Equipment (DME) Suppliers
(as of April 1, 2022)

The Centers for Medicare & Medicaid Services (CMS) has modified the additional documentation request (ADR) limits for the Medicare Fee-for-Service Recovery Audit Contractor (RAC) program for suppliers. These limits will be set by CMS on a regular basis to establish the maximum number of medical records that may be requested by a RAC, per 45-day period.

Each limit will be based on a given supplier's volume of Medicare claims paid within a previous 12-month period, in a particular Healthcare Common Procedure Coding System (HCPCS) policy group. The policy groups are available on the pricing, coding analysis, and coding (PDAC), website: PDAC - Reports (dmepdac.com)

Limits will be based on the supplier's Tax Identification Number (TIN). Limits will be set at 10% of all paid claims, by policy group, paid within a previous 12-month period, divided into eight periods (45 days). Although a RAC may go more than 45 days between record requests, in no case shall a RAC make requests more frequently than every 45 days.

Limits are based on paid claims, irrespective of individual lines, although credit/replacement pairs shall be considered a single claim.

For example:

- **Supplier A** had 1,253 claims paid with HCPCS codes in the "surgical dressings" policy group, within a previous 12-month period. The supplier's ADR limit would be (1,253 * 0.1) / 8 = 15.6625, or 16 ADRs, per 45 days, for claims with HCPCS codes in the "surgical dressings" policy group.

- **Supplier B** had 955 claims paid with HCPCS codes in the "glucose monitor" policy group, within a previous 12-month period. The supplier's ADR limit would be (955 * 0.1) / 8 = 11.9375 or 12 ADRs, per 45 days, for claims with HCPCS codes in the "glucose monitor" policy group.

In cases where the claim count per policy group equals a yearly limit between 1 and 3.9, the 45-day limit shall be set to 1, however the yearly limit may not be exceeded.

For example:

- **Supplier C** had a "surgical dressings" policy group claim count of 33 which equals a yearly ADR limit of 3.3 (rounded to 3). The 45-day ADR limit is 0.41 which will be rounded up to 1. Therefore, the supplier could expect 1 ADR per 45-day cycle but not more than 3 ADRs per year.

<u>Exceptions</u>
Providers billing with provider specialty codes 51, 52, 53, 55, 56 or 57 will have an ADR limit not to exceed 10 requests, per supplier, every 45 days. This limit will only be for orthotic and prosthetic items or services on the claim. The standard DME ADR limits for these suppliers, as outlined above, will apply for any other DME items or services. However, the RAC may request permission to exceed this cap, in writing, to their CMS COR.

There is no minimum ADR limit for suppliers, however there shall be a cap of 250 ADRs, per 45 days, per supplier. The RAC may request permission to exceed this cap, in writing, to their CMS COR.

The CMS reserves the right to give a RAC permission to exceed these ADR limits. Permission may begranted on CMS's own initiative or upon request by a RAC. CMS often receives referrals of potential improper payments

from the MACs, UPICs, and Federal investigative agencies (e.g., OIG, DOJ). At CMS discretion, CMS may require the RAC to review claims, based on these referrals. These CMS-Required RAC reviews are conducted outside of the established ADR limits. Affected suppliers will be notified in writing.

If additional assistance is needed please contact CMS at RAC@cms.hhs.gov.