



**FOR IMMEDIATE RELEASE**

**CONNOLLY HEALTHCARE AWARDED CMS CONTRACT FOR RAC NATIONAL ROLLOUT**

**Atlanta, Georgia, October 9, 2008**

The Centers for Medicaid and Medicare Services (CMS), the federal agency that administers the Medicare program, announced today that Connolly Healthcare was awarded a contract to provide recovery audit services. The Recovery Audit Contractor (RAC) program is a cost containment effort aimed to reduce improper payments within Medicare programs as well as identify process improvements to reduce or eliminate future improper payments. Connolly was awarded Region C, which consists of the states of CO, NM, TX, OK, AR, LA, MS, TN, AL, GA, NC, SC, WV, VA, FL. These states account for roughly 38 percent of Medicare disbursements annually.

"We are pleased to continue our role as a Recovery Audit Contractor as Medicare expands the RAC program nationally and hope to contribute to positive changes that will help the Medicare program stay strong," stated Connolly Healthcare's CEO Libby Alexander. "Today's contract award builds upon our efforts to ensure accurate payments for services to Medicare beneficiaries as well as identify opportunities to prevent future improper payments."

Mandated by the Tax Relief and Health Care Act of 2006, the RAC National Expansion Program is an extension of the highly successful RAC Demonstration Project implemented in New York, California, and Florida in 2005 and extended to Massachusetts, South Carolina, and Arizona in 2007. "As a participant in the three year RAC Demonstration for the states of New York and Massachusetts, Connolly is acutely familiar with the process of examining claims and working alongside fiscal intermediaries and other government contractors," said Mike Sick, Connolly Healthcare's President. "Connolly has effective mechanisms in place to detect and respond to improper payments, and is also experienced with the rules, regulations, and requirements that must be applied when evaluating suspected improper payments."

During the RAC Demonstration Program, Connolly contributed to the \$693.6 million in improper Medicare payments returned to the Medicare Trust Funds between 2005 and March 2008. Section 306 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 authorized the use of RAC's to identify and recover improper payments for return to the Medicare Trust Fund and was required to be a permanent part of Medicare in the Tax Relief and Healthcare Act of 2006.



### **About Connolly Healthcare**

Connolly Healthcare, a division of Connolly, Inc. is the recovery audit expert that uses advanced data mining techniques to identify and recover a broad range of erroneous medical claim payments, all with a high sensitivity to important provider relationships. Connolly annually reviews more than \$150 billion dollars in paid medical claims working with some of the largest health plans in the United States. Recovery auditing is recognized as a best practice and Connolly's expertise places it in a position to propose vital process improvement recommendations to reduce or eliminate future improper payments.

Information on Connolly Healthcare and its services can be obtained at:  
[www.connollyhealthcare.com](http://www.connollyhealthcare.com)

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