

Medicare Administrative Contractors (MACs) perform both routine and focused audits to prevent improper payments and protect government funds. Audits, also referred to as “medical reviews,” involve the MAC collecting and reviewing medical records and other related information to ensure payment is made only for services that meet all Medicare billing requirements. A MAC typically uses this information to review a claim after it has been paid, though a MAC can also request information to review a claim on a prepayment basis.

The thought of being audited can be stressful for dentists and their practices. Awareness of the different types of audits and the focus of the audit can help you understand risk and inform your response if audited.

Any audit you face would most likely be conducted by your [Medicare Administrative Contractor \(MAC\)](#). MACs conduct audits according to the [Targeted Probe and Educate \(TPE\)](#) program. TPE uses data analytics to target providers who have high denial rates or unusual billing practices.

The focus of the TPE is on educating providers about billing errors rather than recovering payments. Providers can go through up to three rounds of educational engagement before the MAC takes additional action, such as conducting medical review of all of a provider’s claims before making payment.

The need for MACs to take further remedial action is rare. Of the 13,500 providers MACs subjected to the TPE program in 2019 (the latest year for which data are available), less than 2% failed to improve billing during the three educational rounds.

You may be subjected to dental service audits as part of CMS efforts to assess national billing accuracy and to determine error rates, including the:

- [Comprehensive Error Rate Testing \(CERT\) program](#), an annual audit of a statistically valid random sample of claims to establish error rates and estimates of improper payments.
- [Supplemental Medical Review Contractor \(SMRC\)](#) that aims to lower improper payment rates by conducting national medical review of CERT-identified errors or other vulnerabilities.

Medicare does use an audit program that more aggressively aims to identify and correct improper provider payments. Medicare typically uses contractors that are not MACs to perform this function. This [Recovery Audit Contractor \(RAC\) program](#) pays the contractor a commission based on the amount of overpayments recouped. While this “bounty-hunter” like payment incentive is concerning, RACs need CMS approval to audit specific service types that is contingent on a documented history of inaccurate or improper payments. This RAC list does not currently include dental services.

More broadly, CMS also oversees the audit activities conducted by MACs and other review contractors through steps such as:

- Providing direction on contractors’ medical review policy.
- Reviewing and approving contractors’ annual medical review strategies.
- Ensuring that contractors’ performance is consistent with CMS instructions and contractors’ strategies.

CMS data from 2019 indicates how frequently a provider may be audited—whether to question specific services billed or as part of a national assessment of randomly selected providers:

- The MAC TPE program reviewed 13,500 providers out of a total of more than a million enrolled in Medicare.
- The CERT program included 50,000 randomly selected claims out of the hundreds of millions of claims submitted.

DISCLAIMER

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