

4. As reflected in the table, OMHA received only 661 appeals resulting from Recovery Audit Contractor (RAC) overpayment determinations in the first three quarters of FY 2018. As shown in the Medicare Appeals Dashboard, the number of RAC appeal receipts at OMHA over the last six quarters demonstrates a steady downward trend:

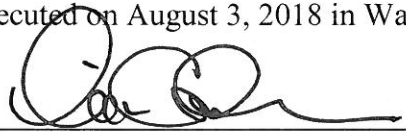
- Q2, FY 2017: 4,325 RAC receipts
- Q3, FY 2017: 2,097 RAC receipts
- Q4, FY 2017: 1,360 RAC receipts
- Q1, FY 2018: 384 RAC receipts
- Q2, FY 2018: 127 RAC receipts
- Q3, FY 2018: 150 RAC receipts

5. As reflected in Exhibit 2, using data as of June 30, 2018, HHS projects the number of appeals pending (including both appeals pending for less than 90 days and appeals pending for longer than that period) at OMHA to be 426,594 by the end of FY 2018 (Sept. 30, 2018); 341,324 by the end of FY 2019 (Sept. 30, 2019); 214,792 by the end of FY 2020 (Sept. 30, 2020); 106,356 by the end of FY 2021 (Sept. 30, 2021). HHS projects that in FY 2022 there will be no backlog of appeals pending at OMHA. This projection takes into account the impact on the backlog of ongoing administrative actions as described in current and prior declarations. The projection also takes into account the impact of increased discretionary funding that OMHA received in March 2018, which the Department projects to increase the adjudication capacity of OMHA through an additional 80 ALJ teams and 15 attorney adjudicators. The projection maintains the FY 2018 discretionary funding level at OMHA in future years, based on the continuation of an increased funding level for OMHA in the House and Senate FY 2019 appropriation bills.

6. The Department is committed to addressing the backlog of Medicare appeals while ensuring the integrity of the Medicare Trust Funds through reimbursing only those claims that are proper for payment. The Department continues to evaluate all administrative and legislative options, including new authorities, funding, and reforms needed to improve the Medicare Appeals process and address the backlog.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on August 3, 2018 in Washington, D.C.

A handwritten signature in black ink, appearing to read "Norris W. Cochran", is written over a horizontal line.

Norris W. Cochran