

Revision:

State _____

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

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| <p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p> | <p>_____ The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.</p> |
| <p>Section 1902(a)(42)(B)(ii)(I) of the Act</p> | <p>_____ The State is seeking an exception to establishing such program for the following reasons:</p> <p>_____ The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.</p> |
| <p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p> | <p>Place a check mark to provide assurance of the following:</p> <p>_____ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>_____ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p> |
| | <p>The following payment methodology shall be used to determine State payments to Medicaid RACs for recovered overpayments (e.g., the percentage of the contingency fee):</p> |

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Section 1902 (a)(42)(B)(ii)(II)(bb)
of the Act

_____ The State attests that if the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register, the State will only submit for FFP up to the amount equivalent to that published rate.

_____ The following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:

_____ The State will submit a justification seeking to pay the Medicaid RAC(s) a contingency fee higher than the highest contingency fee rate paid to Medicare RACs as published in the Federal Register.

Section 1902 (a)(42)(B)(ii)(III)
of the Act

_____ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).

Section 1902 (a)(42)(B)(ii)(IV)(aa)
of the Act

_____ The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.

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| <p>Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act</p> | <p>_____ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p> |
| <p>Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act</p> | <p>_____ Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.</p> |

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