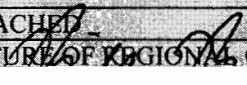


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 2011-001	2. STATE ARKANSAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2011	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 455 (Section 6411 and PPACA) PL 111-148		7. FEDERAL BUDGET IMPACT: a. FFY 2011 The Department has no way to determine b. FFY 2012 the budget impact associated with this SPA.	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Section 4, Pages 36-1 and 36-2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None, New Pages	
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to add recovery audit contractors to the Medicaid Program.			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPED NAME: Eugene I. Gessow		16. RETURN TO: Division of Medical Services PO Box 1437, Slot S295 Little Rock, AR 72203-1437 Attention: LeAnn Edwards	
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED: December 22, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 22 December, 2010		18. DATE APPROVED: 31 January, 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 April, 2011		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

Citation 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.

Section 1902(a)(42)(B)(i) of the Social Security Act

N/A The State is seeking an exception to establishing such program for the following reasons:

Section 1902(a)(42)(B)(ii)(I) of the Act The State/Medicaid agency has contract 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.

Place a check mark to provide assurance of the following:

The State will make payments to the RAC(s) only from amounts recovered.

The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

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

The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (percentage has not been determined):

The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.

The State attests that 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 contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.

SUPERSEDES. NONE - NEW PAGE

STATE <u>Arkansas</u>	A
DATE REC'D. <u>12-22-10</u>	
DATE APP'VD. <u>1-31-11</u>	
DATE EFF. <u>4-1-11</u>	
HCFA 179 <u>11-01</u>	

Revision: April 1, 2011

State Arkansas

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program (continued)

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

X

The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (percentage has not been determined):

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

X

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

X

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.

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

X

The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.

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

X

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.

SUPERSEDES NONE - NEW PAGE

STATE	Arkansas	A
DATE RECD.	12-22-10	
DATE APP'VD.	1-31-11	
DATE EFF.	4-1-11	
HC FA 179	11-01	