Revision: State <u>Arizona</u>

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b   Medicaid Recovery Audit Contractor Program

<u>Citation</u>

_____The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying overpayments and underpayments 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

___√___The State is seeking an exception to establishing such program for the following reasons:
Arizona needs approximately 12 months to incorporate identification of under payments into the current RAC contract, which meets all other statute requirements. Incorporation of underpayment identification will take place by April 1, 2012. By April 1, 2012, Arizona will submit to CMS a revised SPA which will include information on the payment methodology that will be used for underpayments.

___√___The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts will meet the requirements of the statute by April 1, 2012. RACs are consistent with the statute.

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

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

___√___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.

TN No. <u>10-012</u>
Supersedes
TN No. <u>NA</u>

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_____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 submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.

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

_____The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee)

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.

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

__√__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

__√__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.

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TN No. NA

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