

Revision:

State Colorado

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><input type="checkbox"/> 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><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p>The State is seeking an exception in order to re-procure its recovery audit contract (RAC). The state is currently pursuing a formal, competitive re-procurement with the intent of executing a new contract for recovery audit services that would be in line with Section 1902(a)(42) of the Social Security Act. The State requests an exemption to cover the lapse until a RAC is re-procured and a formal contract has been executed. The current contract is ending and will not be renewed. The re-procurement process will take approximately 12 months.</p> |
| <p>Section 1902(a)(42)(B)(ii)(I) of the Act</p> | <p><input type="checkbox"/> 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>Place a check mark to provide assurance of the following:</p> <p><input type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> |
| <p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p> | <p><input type="checkbox"/> 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.,</p> |

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| | <p>the percentage of the contingency fee):</p> <p>_____ 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.</p> |
| <p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p> | <p>_____ The following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:</p> <p>_____ 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.</p> |
| <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> | <p>_____ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p> |
| <p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p> | <p>_____ 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.</p> |
| <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</p> |

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State and Federal law enforcement entities and the CMS
Medicaid Integrity Program.

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