State/Territory: Maryland

SECTION 4 - GENERAL PROGRAM ADMINISTRATION 4.5 Medicaid Recovery Audit Contractor Program

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Citation Section 1902(a)(42)(B)(i) Of the Social Security Act Section 1902(a)(42)(B)(ii)(I) of the Act	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. During any contract interim period where a RAC is not in place, the subsequent RAC contractor, once in place, will audit for all periods up to the time when the previous contractor terminates.
	X The State is seeking an exception to establishing such program for the following reasons:
	The state does not currently have a RAC vendor and is involved in the procurement of a new RAC vendor. Based on the procurement process involved, Maryland will have a new contractor in place no later than November 1, 2014.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	In accordance with State regulations and State Operating Budget SB 125 (2004), providers must pay the amount overpaid plus a contingency fee which is a percentage of the recovery amount, not to exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The overpayment and contingency fee from the provider is collected by the State.
	The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(l) 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.
	X The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.
	The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):
	X 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.

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	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.	
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 (e.g, amount of flat fee, the percentage of the contingency fee):	
Seetier 1002 (e)(42)(D)(i)(HI) of the	Contingency fee not to exceed the highest rate paid to Medicare RACs, as published in the Federal Register.	
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 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.	

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