4.5 Medicaid Recovery Audit Contractor Program

Citation Section 1902(a)(42)(B)(i) of the Social Security 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.
	A temporary exception is required until after the Minnesota legislature establishes statutory authority to pay the contingency fees from recovered funds. The next legislative session begins January 4, 2011, and necessary statutory authority should be effective July 1, 2011. The State/Medicaid agency has contracts of the type(s) listed in
Section 1902(a)(42)(B)(ii)(I) of the Act	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:
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	_xThe 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 and identifying underpayments.
	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.
	 No contingency fee will be paid to a RAC contractor for recoveries from providers who self-disclose. No contingency fee will be paid when no recovery is made for an identified overpayment.

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	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
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	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.
	<u>x</u> The following payment methodology shall be used to determine
	State payments to Medicaid RACs for the identification of
Section 1902 (a)(42)(B)(ii)(II)(bb)	underpayments (e.g., amount of flat fee, the percentage of the
of the Act	contingency fee):
	A negotiated percentage of the contingency fee, but no more
	than the highest rate paid to Medicare RACs.
	than the highest rate paid to Medicare NACs.
	<u>x</u> 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)(III)	incloj.
of the Act	The State assures that the amounts expended by the State to
of the Act	
	carry out the program will be amounts expended as necessary
	for the proper and efficient administration of the State plan or
Section 1902 (a)(42)(B)(ii)(IV)(aa)	a waiver of the plan.
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(bb)	
of the Act	
	<u>x</u> 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
Section 1902 (a)(42)(B)(ii)(IV)(cc)	State and Federal law enforcement entities and the CMS
Of the Act	Medicaid Integrity Program.
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