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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | 1. TRANSMITTAL NUMBER 1 0 - 3 7 | 2. STATE Oklahoma |
| | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |
| TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE December 1, 2010 | |

5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

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| 6. FEDERAL STATUTE/REGULATION CITATION Section 6411 of the Affordable Care Act, 1902(a)(42) of the SSA | 7. FEDERAL BUDGET IMPACT a. FFY <u>2010</u> \$0 b. FFY <u>2011</u> \$0 |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.5-A, Page 1 Attachment 4.5-A, Page 2 | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) New Page New Page |

10. SUBJECT OF AMENDMENT

Expansion of the Recovery Audit Contractor (RAC) Program

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State Plan material.
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

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| 12. SIGNATURE OF STATE AGENCY OFFICIAL | 16. RETURN TO Oklahoma Health Care Authority Attn: Cindy Roberts 2401 NW 23rd Street, Suite 1A Oklahoma City, OK 73107 |
| 13. TYPED NAME Mike Fogarty | |
| 14. TITLE Chief Executive Officer | |
| 15. DATE SUBMITTED December 30, 2010 | |

| FOR REGIONAL OFFICE USE ONLY | |
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| 17. DATE RECEIVED 30 December, 2010 | 18. DATE APPROVED 9 February, 2011 |
| PLAN APPROVED - ONE COPY ATTACHED | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL 1 December, 2010 | 20. SIGNATURE OF REGIONAL OFFICIAL <i>[Signature]</i> |
| 21. TYPED NAME Bill Brooks | 22. TITLE Associate Regional Administrator Division of Medicaid & Children's Health |
| 23. REMARKS c. Mike Fogarty Cindy Roberts Tywanda Cox Traylor Rains | |

Revision:

State OKLAHOMA

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| STATE <u>Oklahoma</u> | A |
| DATE REC'D. <u>12-30-10</u> | |
| DATE APP'D. <u>2-9-11</u> | |
| DATE EFF. <u>12-1-10</u> | |
| HCFA 179 <u>10-37</u> | |

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>Section 1902(a)(42)(B)(ii)(I) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p> | <p><input checked="" 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 type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p><input checked="" type="checkbox"/> The State/Medicaid agency will implement 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 checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input checked="" 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 identification and recovery of overpayments (e.g., the percentage of the contingency fee): The exact contingency fee percentage has not yet been determined for this contract.</p> <p><input checked="" type="checkbox"/> 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.</p> <p><input type="checkbox"/> 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.</p> |
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Supersedes

Approval Date: 2-9-11

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| <p>Section 1902 (a)(42)(B)(ii)(III)(bb) of the Act</p> | <p><input type="checkbox"/> 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.</p> <p><input checked="" type="checkbox"/> 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):</p> <p>The payment methodology is a flat fee.</p> |
| <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> | <p><input checked="" type="checkbox"/> 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><input checked="" type="checkbox"/> 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><input checked="" type="checkbox"/> 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><input checked="" type="checkbox"/> 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.</p> |

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