Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

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

Citation	XThe State has established a program under which it will
Section 1002(a)(42)(D)(i)	contract with one or more recovery audit contractors (RACs)
Section 1902(a)(42)(B)(i) of the Social Security	for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and
Act	under any waiver of the State plan.
	The State is seeking an exception to establishing such
	program for the following reasons:
Section	X The State/Medicaid agency has contracts of the type(s) listed
1902(a)(42)(B)(ii)(I)	in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet
of the Act	the requirements of the statute. RACs are consistent with the statute.
	Place a check mark to provide assurance of the following:
	\underline{X} 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.
Section 1902	The following payment methodology shall be used to determine State
(a)(42)(B)(ii)(II)(aa) of	payments to Medicaid RACs for identification and recovery of
the Act	overpayments (e.g., the percentage of the contingency fee):
	<u>X</u> 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	X The following payment methodology shall be used to
(a)(42)(B)(ii)(II)(bb)	determine State payments to Medicaid RACs for the
of the Act	identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee): Contingency fee of 10.9% of underpayments identified.
Section 1902	
(a)(42)(B)(ii)(III)	X The State has an adequate appeal process in place for
of the Act	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 a waiver of the plan.
Section	
1902(a)(42)(B)(ii)(IV(bb) of the Act	<u>X</u> 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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