

State: Tennessee

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

<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><u>      </u> 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><u>  X  </u> The State is seeking an exception to establishing such program for the following reasons:</p> <p>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>The State is granted an exception to 42 CFR § 455.508(f) and the Medicaid RAC will be allowed to review claims that are up to five years old, with the start date being the date the claim was submitted to the State or one of its agents. This exception is required for the following reasons:</p> <ul style="list-style-type: none"> <li>• To permit MCCs enough time to identify and recover improper claims as a part of their internal claims processing and program integrity operations.</li> <li>• To permit TennCare to request that the RAC do a complete review of claims history when any MCC is terminated.</li> </ul> <p>There are no time limits on the look back period when fraud is involved.</p> <p><u>  X  </u> 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><u>  X  </u> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><u>  X  </u> 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):</p> <p><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.</p> <p><u>      </u> 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>
---	---

TN No. 11-012  
 Supersedes  
 TN No. 10-005

Approval Date: 02-03-12

Effective Date: 11/15/11