Proposed Section 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

The Medicaid agency has established and will maintain methods, criteria, and procedures that meet all requirements of 42 CFR 455.13 through 455.21 and 455.23 for prevention and control of program fraud and abuse.

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. ☒ The State is seeking an exception to establishing such program for the following reasons: The release of the Final Rule and additional provisions within created a need to amend the Scope of Work (SOW) and the Request for Proposal (RFP). The changes delayed the release date of the RFP. In order to adhere to California's policies and procedures for procurement additional time is needed. California is seeking an exception to the January 1, 2012 implementation date described in the Final Rule. No later than June 1, 2012, California will have a RAC contract in place that will adhere to the attestations in this SPA.
Section 1902(a)(42)(B)(ii)(I) of the Act	☒ The State/Medicaid agency will have contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts will 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. ☒ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	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 percentage of the contingency fee.

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	☒ The State attests that if the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to the Medicare RACs, as published in the Federal Register, the State will only submit for FFP up to the amount equivalent to that published rate.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	☒ 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): The percentage of the contingency fee: ☐ The State will submit a justification seeking to pay the Medicaid RAC(s) a contingency fee higher than the highest contingency fee rate paid to Medicare RACs as published in the Federal Register.
Section 1902 (a)(42)(B)(ii)(III) of the Act	☒ 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)(ii)(IV)(aa) of the Act	☒ 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	☒ 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	☒ 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.