State of Mississippi

## 4.5 Medicaid Recovery Audit Contractor Program

Citation	Effective April 1, 2017, the State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose
Section 1902(a)(42)(B)(i) of the Social Security Act	of identifying underpayments and overpayments of Medicaid Claims under the State plan and under any waiver of the State Plan.
	$\underline{X}$ The State is seeking an exception to establishing such program for the following reasons:
Section 1902 (a)(42)(B)(ii)(I) of the Act	Pursuant to 42 CFR § 455.516, the Division of Medicaid is seeking an exception to 42 CFR § 455.502(b), which requires contracting with a RAC. The Division of Medicaid's RAC contract expired on March 31, 2021. The Division of Medicaid submitted an amendment to Mississippi Department of Finance and Administration requesting an extension for another year; however, prior to approval, a merger was completed creating a new entity. As such, the new entity cannot execute a new contract for RAC services for another year. The Division of Medicaid attempted to competitively procure another vendor. However, of the two offers submitted, neither met the minimum costs or federal/state requirements to be a RAC vendor and the procurement was cancelled. The Division of Medicaid seeks a waiver from seeking a RAC vendor for a period of one (1) year from the approval date of State Plan Amendment (SPA) 22-0024 in order to attempt to procure a new, competitively bid RAC contract that complies with current state and federal laws and regulations.
	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.
Section 1902(a)(42)(B)(ii)(II)(aa) of the Act	Place a check mark to provide assurance of the following:
	The State will make payments to RAC(s) only from amounts recovered.
	The State will make payments to the RAC(s) on a contingent basis for collecting over payments.
	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 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

TN No. 22-0024 Supersedes TN No.17-0014 Date Received: Date Approved:

Date Effective: <u>07/01/2022</u>

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.
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.

Date Effective: <u>07/01/2022</u>

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT MEDICAL ASSISTANCE PROGRAM

Section 1902(a)(42)(B)(ii)(II)(bb)	The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g.,
of the Act	amount of flat fee, the percentage of the contingency fee): Percentage of recovery established through procurement process.
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	The state assures that the amounts expended by the State to carry out the
1902(a)(42)(B)(ii)(IV)(aa) of the Act	program will be amounts expended as necessary for the proper and efficient administration of the State Plan or waiver of the plan.
Section	_ The state assures that the recovered amounts will be subject to a State's
1902(a)(42)(B)(ii)(IV)(bb) of the Act	quarterly expenditure estimates and funding of the State's share.
a ··	Efforts of the Medicaid RAC(s) will be coordinated with other contractors
Section 1902(a)(42)(B)(ii)(N)(cc) of	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 Act	the CMS Medicaid Integrity Program.

Date Received:
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Date Effective: <u>07/01/2022</u>

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Section 1902(a)(42)(B)(i) of the Social Security Act

<u>X</u> Effective April 1, 2017, 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.

 $\underline{X}$  The State is seeking an exception to establishing such program for the following reasons:

Section 1902 (a)(42)(B)(ii)(I) of the Act Pursuant to 42 CFR § 455.516, the Division of Medicaid is seeking an exception to 42 CFR § 455.502(b), which requires contracting with a RAC. The Division of Medicaid's RAC contract expired on March 31, 2021. The Division of Medicaid submitted an amendment to Mississippi Department of Finance and Administration requesting an extension for another year; however, prior to approval, a merger was completed creating a new entity. As such, the new entity cannot execute a new contract for RAC services for another year. The Division of Medicaid attempted to competitively procure another vendor. However, of the two offers submitted, neither met the minimum costs or federal/state requirements to be a RAC vendor and the procurement was cancelled. The Division of Medicaid seeks a waiver from seeking a RAC vendor for a period of one (1) year from the approval date of State Plan Amendment (SPA) 22-0024 in order to attempt to procure a new, competitively bid RAC contract that complies with current state and federal laws and regulations.

X 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.

Section 1902(a)(42)(B)(ii)(II)(aa) of the Act

Place a check mark to provide assurance of the following:

X The State will make payments to RAC(s) only from amounts recovered.

 $\underline{X}$  The State will make payments to the RAC(s) on a contingent basis for collecting over payments.

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

TN No. <del>17-0014</del><u>22-0024</u> Supersedes TN No.<del>16-0015</del>17-0014 Date Received: <u>11/07/2017</u>
Date Approved: <u>11/17/2017</u>

Date Effective: 10/01/201707/01/2022

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.
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(a)(42)(B)(ii)(II)(bb) of the Act

Section 1902(a)(42)(B)(ii)(III) of the Act

Section 1902(a)(42)(B)(ii)(IV)(aa) of the Act

Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act

Section 1902(a)(42)(B)(ii)(N)(cc) of the Act <u>X</u> 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): Percentage of recovery established through procurement process.

 $\underline{X}$  The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).

<u>X</u> 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 waiver of the plan.

<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.

<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 State and Federal law enforcement entities and the CMS Medicaid Integrity Program.

Date Received: 11/07/17
Date Approved: 11/17/17

Date Effective: <u>10/01/2017</u>07/01/2022