

4.5 Medicaid Recovery Audit Contractor Program

<u>Citation</u> Section 1902(a)(42)(B)(i) of the Social Security Act	<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.</u> <u>X</u> The State is seeking an exception to establishing such program for two (2) years, effective from July 1, 2026 – July 1, 2028, for the following reasons: • The Mississippi Medicaid Program Integrity (PI) Division maintains and operates dedicated fraud, waste, and abuse activities, including post-payment reviews, financial and provider audits carried out by Medicaid for Fee for Service and Mississippi’s managed care plans. PI works closely with the Medicaid Fraud Control Unit (MFCU). • The State maintains and uses a technical solution that contains a robust suite of data analytics which automatically generate potential leads and supports the identification of fraud, waste and abuse. • The last RAC contractor found few recoveries during the years of review. • The Program Integrity Division works closely with its assigned Unified Program Integrity Contractor (UPIC). The collaboration with our designated UPIC and its established operational processes provided has been found to be effective in detection of FWA and subsequent completion of audit and investigation activities. • Mississippi Medicaid also maintains an active contract with a Utilization Review Contractor that allows us to further identify, address and mitigate FWA. • The State maintains a low rate of errors in Medicaid payments, as evidenced by the most recent PERM review.
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. <u>—</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. Place a check mark to provide assurance of the following: <u>—</u>The State will make payments to RAC(s) only from amounts recovered. <u>—</u>The State will make payments to the RAC(s) on a contingent basis for collecting over payments.
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): <u>—</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

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	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.
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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	_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. _The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s). _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. The state assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share. _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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