

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-008	2. STATE Montana
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 10.01.10 7/1/11 <i>jt</i>	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: ACA SECTION 6411		7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$(711,625) b. FFY 2012 \$(1,430,160) c. FFY 2013 \$(1,460,598)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: CITATION 4.5 PAGES 1-2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): CITATION 4.5 PAGE 1	
10. SUBJECT OF AMENDMENT: Compliance with ACA to implement Medicaid RAC Contractors			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO: Montana Dept. of Public Health and Human Services Mary E. Dalton State Medicaid Director Attn: Jo Thompson PO Box 4210 Helena, MT 59604	
13. TYPED NAME: Mary E. Dalton			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 12/20/10			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 1/20/11		18. DATE APPROVED: 3/9/11	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/11		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

State/Territory: Montana

Citation 4.5 Medicaid Agency Fraud Detection and Investigation
 42 CFR 455.12 Program
 AT- 78-90
 48 FR 3742
 52 FR 48817

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.

Section X The State has established a program under which
 1902(a)(42)(B)(i) it will contract with one or more recovery audit
 of the Social contractors (RACs) for the purpose of identifying
 Security Act underpayments and overpayments of Medicaid claims
 under the State plan and under any waiver of the
 State plan

X The State is seeking an exception to
 establishing such program for the following reasons:
 Montana requests a delay in implementation because we
 require Legislative approval for funding
 Section 1902 appropriation. The state is granted the exception to
 (a)(42) allow the agency to obtain legislative approval for
 (B)(ii)(I) the necessary expenditure to operate the RAC program.
 of the Act

X The State/Medicaid agency will have contracts
 of the type(s) listed in section
 1902(a)(42)(B)(ii)(I) of the Act in place. All
 contracts meet the requirements of the statute. RACs
 are consistent with the statute.

Place a check mark to provide assurance of the
 following:

X The State will make payments to the RAC(s) only
 from amounts recovered.
 Section 1902
 (a)(42)(B)(ii) X The State will make payments to the RAC(s) on a
 (II)(aa) contingent basis for collecting overpayments.
 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):

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 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.

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

_____ 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)
(III) of the Act

X Percentage of the contingency fee will be the payment methodology used to determine State payments to Medicaid RACs for identification and recovery of overpayments.

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

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

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

X 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.