

State Minnesota**4.5 Medicaid Recovery Audit Contractor Program**

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</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><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p><u>Implementation is delayed until May 1, 2012, to align with the date the first RAC contract is executed. A temporary exception is required until after the Minnesota legislature establishes statutory authority to pay the contingency fees from recovered funds. The next legislative session begins January 4, 2011, and necessary statutory authority should be effective July 1, 2011.</u></p>
<p>Section 1902(a)(42)(B)(ii)(I) of the Act</p>	<p>_____ 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><input checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input checked="" type="checkbox"/> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments and identifying underpayments.</p>
<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</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><input checked="" type="checkbox"/> 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> <ol style="list-style-type: none"> 1. No contingency fee will be paid to a RAC contractor for recoveries from providers who self-disclose. 2. No contingency fee will be paid when no recovery is made for an identified overpayment.

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