

**PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION**

**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><u>    </u> 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><u>  X  </u> The State is seeking an exception to establishing such program for the following reasons:</p> <ul style="list-style-type: none"> <li>• The State is seeking to discontinue its RAC program because Oklahoma has robust and effective program integrity procedures in place to combat fraud, waste, and abuse (FWA) for the state’s Medicaid program, including: <ul style="list-style-type: none"> <li>○ Individual provider – claim analysis reports;</li> <li>○ Individual provider – prepayment review capabilities;</li> <li>○ Clinical provider audits – medical record review audits (21 person unit consisting of Registered Nurses, Certified Professional Coders, and a Dental Hygienist);</li> <li>○ Clinical provider audits with extended capabilities utilizing third party software applications;</li> <li>○ Behavioral health audits – record review audits (unit consists of Licensed Professional Counselors and Licensed Marital and Family Therapists);</li> <li>○ Advanced program integrity data analytics proven effective in identifying FWA;</li> <li>○ Federal Unified Program Integrity Contractor (UPIC).</li> </ul> </li> <li>• The Payment Error Rate Measurement (PERM) program has shown that Oklahoma’s Medicaid program error rate has been far less than the national average.</li> <li>• The exception will be granted by CMS for a two (2) year period.</li> </ul>
<p>Section 1902(a)(42)(B)(ii)(I) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(II)(aa) of the Act</p>	<p><u>    </u> The State/Medicaid agency will implement 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><u>    </u> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><u>    </u> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</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>

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<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p>	<p>___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>
<p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p>___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.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p>	<p>___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.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p>___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).</p>
<p>Section 1902(a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<p>___The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<p>___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.</p>
<div style="border: 1px solid red; padding: 5px; color: red;"> <p>State: Oklahoma Date Received: 22 May, 2018 Date Approved: 20 July, 2018 Effective Date: 1 April, 2018 Transmittal Number: 18-11</p> </div>	<p>___The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p> <p>___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.</p>

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