

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

State/Territory: DISTRICT OF COLUMBIA

4.5 Medicaid Recovery Audit Contractor Program

<p>Citation:</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>Section 1902(a)(42)(B)(ii)(I) of the Act</p>	<p><u> x </u> The State is seeking an exception to establishing such program for the following reasons:</p> <p>The District is suspending operations under the RAC requirement in accordance with a waiver from CMS due to the District's inability to identify a contractor to perform the required activities at the statutorily identified contingency fee rate. The District identifies and reconciles Medicaid provider overpayments and underpayments as follows: The Department of Health Care Finance (DHCF) actively uses the Payment Error Rate Measurement (PERM) process to reduce its error rate; DHCF conducts coordination with other District agencies, including the Department of Disability Services and Department of Behavioral Health, to conduct audits and other oversight of providers; and DHCF has other contractors conducting reviews, such as the Pharmacy Benefit Manager (PBM), which conduct audits, data analysis, and other reviews of pharmacy claims. DHCF also works in collaboration with the U.S. Office of Inspector General, the Medicaid Fraud Control Unit, and other law enforcement agencies which are able to report and resolve overpayments, underpayments, and potential fraud.</p>
<p>Section 1902(a)(42)(B)(ii)(II)(aa) 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. RA Cs are consistent with the statute.</p> <p>Place a check mark to provide assurance of the following:</p> <p>_____ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>_____ 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>

<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. The District may pay up to the highest contingency fee used under the Medicare RAC Program for any type of claim.</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>___ 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)(III) 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)(aa) 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)(bb) 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>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<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>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</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>