

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>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 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"> • 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"> ○ Individual provider – claim analysis reports; ○ Individual provider – prepayment review capabilities; ○ Clinical provider audits – medical record review audits (21 person unit consisting of Registered Nurses, Certified Professional Coders, and a Dental Hygienist); ○ Clinical provider audits with extended capabilities utilizing third party software applications; ○ Behavioral health audits – record review audits (unit consists of Licensed Professional Counselors and Licensed Marital and Family Therapists); ○ Advanced program integrity data analytics proven effective in identifying FWA; ○ Federal Unified Program Integrity Contractor (UPIC). • The Payment Error Rate Measurement (PERM) program has shown that Oklahoma’s Medicaid program error rate has been far less than the national average. • The exception will be granted by CMS for a two (2) year period. <p><u> </u> The State/Medicaid agency will implement c ontracts 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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