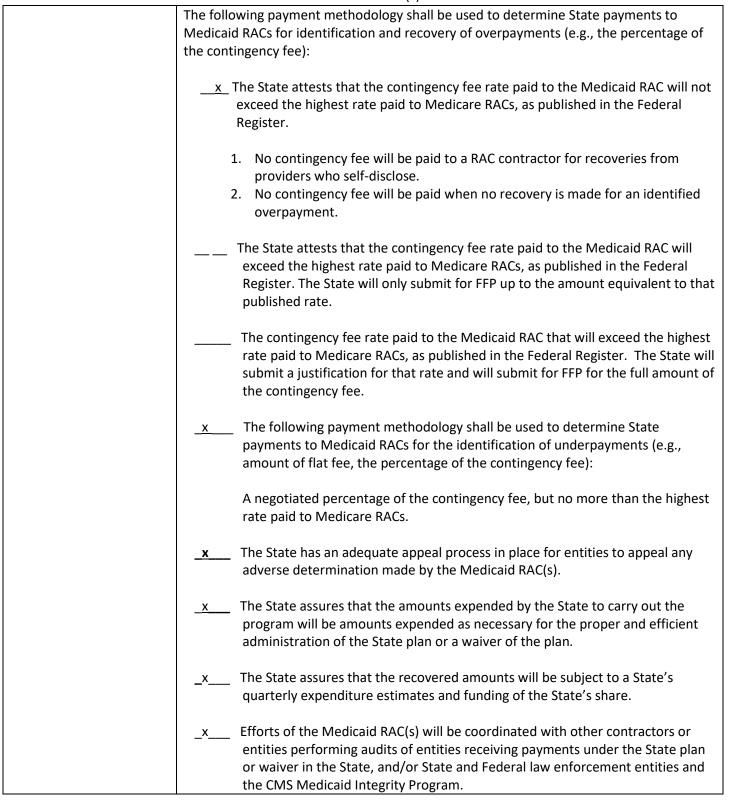
State \_\_\_Minnesota

## 4.5 Medicaid Recovery Audit Contractor Program

<u>Citation</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
Section 1902(a)(42)(B)(i)	underpayments and overpayments of Medicaid claims under the State plan and
of the Social Security Act	under any waiver of the State plan.
	X The State is seeking an exception to establishing such program for the following
42 C.F.R § 455.516	reasons:
	Pursuant to 42 C.F.R. § 455.516, the Department seeks an exception to 42 C.F.R.
<del>42 CFR 455.508(b)</del>	§ 455.502(b), which requires contracting with a RAC. The Department's RAC
<del>42 CFR 455.508(f)</del>	contract expired on December 31, 2017, and the Department has been unable
42 CFR 455.510	to procure a new vendor. The Department published a request for proposals in
	August, 2016 and then again in November, 2017. We received no proposals in
Section	response to the two separate requests. The lack of responses is likely due to the
1902(a)(42)(B)(ii)(I)	high utilization of managed care in Minnesota (approximately 80%), which
of the Act	reduces the potential revenue for contractors. The Department requests an
	exception to the RAC requirements for a period of two years, through
Section 1902	December 31, 2019.
(a)(42)(B)(ii)(II)(aa) of the	
Act	During this time, the Department will utilize its unified program integrity
	contractor and medical necessity review contractor to identify and audit
Section 1902	aberrant claims. This work is in addition to the ongoing monitoring performed
(a)(42)(B)(ii)(II)(bb)	by the Surveillance and Integrity Review Section (SIRS) investigation teams.
of the Act	Minnesota requests an exception to the requirement that the RAC must hire a
	minimum of 1.0 FTE medical director in good standing with the state licensing
	authorities. Minnesota's RAC will employ a .5 FTE medical director to support
Section 1902	Minnesota's RAC work. The medical director is a physician licensed in good
(a)(42)(B)(ii)(III)	standing in several states, and will seek licensure in Minnesota.
of the Act	
	Minnesota requests an exception to the current three year claims look back
Section 1902	period. Minnesota seeks to examine claims for up to five years from the date of
(a)(42)(B)(ii)(IV)(aa)	the claim in accordance with current State post-payment review and recovery
of the Act	practices.
Section	The State/Medicaid agency has contracts of the type(s) listed in section
1902(a)(42)(B)(ii)(IV(bb) of	1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the
the Act	statute. RACs are consistent with the statute.
Section 1902	Place a check mark to provide assurance of the following:
(a)(42)(B)(ii)(IV)(cc) Of the	
Act	The State will make payments to the RAC(s) only from amounts recovered.
	X The State will make payments to the RAC(s) on a contingent basis for collection overpayments and identifying underpayments.

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