

State: Missouri

**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 until April 1, 2022 for the following reasons:</p> <p>The request for proposal for a recovery audit contractor to begin work December 1, 2015 was issued June 30, 2015 – RFP B3Z15262. The response period closed July 30, 2015. Missouri received no responses. A second request for proposal for a recovery audit contractor to begin work on December 1, 2015 was issued August 13, 2015 – RFP B3Z16035. The response period closed September 14, 2015. Missouri received no responses. Missouri’s previous contractor was Cognosante, LLC. The Cognosante project manager advised our office that Cognosante did not intend to bid during the response period because the RAC area of business was not cost-beneficial for their company. Missouri did not receive feedback from other vendors regarding their decisions not to place a bid but for the following reasons Missouri has chosen not request any additional proposals.</p> <p>This SPA will be in effect for two (2) years, and as long as Missouri maintains a program to recover credit balances on patient accounts and maintains a strong and effective program to recover improperly paid monies through Program Integrity efforts.</p> <p>Factors supporting Missouri’s exception:</p> <ol style="list-style-type: none"> <li>1. Missouri holds a contract with HMS, in part to provide Credit Balance Audits, a function previously provided under the Cognosante contract. HMS continues to recover more in credit balance audit recoveries than Cognosante previously recovered in its most recent year.</li> <li>2. Missouri has strong and effective controls to minimize the risk of improper payments, including recoveries from provider audits, special projects, investigations, and cost avoidance measures. Missouri works closely with the Medicaid Fraud Control Unit referring many cases for prosecution in each State Fiscal Year.</li> </ol>
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	<p>3. The final rule at § 455.506(a)(1) indicates, “States may exclude Medicaid managed care claims from review by Medicaid RAC,” Managed care claims comprise approximately 18% of the Missouri Medicaid payments for health care as Missouri’s managed care penetration is 80%.</p> <p><input type="checkbox"/> 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 type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input type="checkbox"/> 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><input 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>
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