

## PROVIDER BULLETIN

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# RECOVERY AUDIT CONTRACTOR (RAC) UPDATE

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- **Recovery Audit Contractor**
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In an effort to help states reduce improper payments for Medicaid health care claims, the Centers for Medicare and Medicaid Services (CMS) issued a final rule to implement section 6411 of the Affordable Care Act.

Section 6411 of the Affordable Care Act, Expansion of Recovery Audit Contractor (RAC) Program, amends section 1902(a)(42) of the Social Security Act and requires states to contract with a RAC vendor allowing states to reimburse contractors who assist in the identification and recovery of improper payments. The RAC program has been used in the Medicare program and is now being required for Medicaid. The mission of the RAC program is to reduce improper payments in Medicaid through the efficient detection and collection of overpayments, the identification of underpayments, and the implementation of actions that will prevent future improper payments.

The State of Missouri, Department of Social Services (DSS), Missouri Medicaid Audit and Compliance Unit (MMAC), contracted with Cognosante, LLC, to be the Medicaid Recovery Audit Contractor. Cognosante is also the NPI Enumerator for CMS and has helped more than three million providers nationally obtain NPI numbers.

Cognosante will begin RAC audits by focusing on three (3) program areas – Durable Medical Equipment (DME), Behavioral Health Services, and retail Pharmacy. Providers with improper payments will receive certified letters from Cognosante on behalf of MMAC. If providers disagree with a decision made by the RAC contractor, they may exercise their appeal rights through the Administrative Hearing Commission. Letters will contain information on repayment options, appeal information, and where to go for questions.

Traditionally, MMAC post-payment review audits focus on medical records documentation. Cognosante will conduct post payment audits driven by established Missouri and industry rules.

Cognosante will have a Call Center available for RAC questions/issues related to audits. The phone number will be published in a future provider email notification and will be published at [mmac.mo.gov](http://mmac.mo.gov).

For non-audit RAC comments/concerns, please direct comments or questions to email address [dss.mmac.compliance@dss.mo.gov](mailto:dss.mmac.compliance@dss.mo.gov) or to Pamela Hendrix at 573-526-5743.

MMAC is responsible for administering and managing Medicaid (Title XIX) audit and compliance initiatives and managing and administering provider enrollment contracts under the Medicaid program. MMAC is charged with detecting, investigating and preventing fraud, waste and abuse of the Medicaid Title XIX, CHIP Title XXI, and waiver programs. For additional information about MMAC visit their Web site at [mmac.mo.gov](http://mmac.mo.gov).

**Provider Bulletins** are available on the MO HealthNet Division (MHD) (Formerly the Division of Medical Services) Web site at <http://dss.mo.gov/mhd/providers/pages/bulletins.htm>. Bulletins will remain on the Provider Bulletins page only until incorporated into the [provider manuals](#) as appropriate, then moved to the Archived Bulletin page.

**MO HealthNet News:** Providers and other interested parties are urged to go to the MHD Web site at <http://dss.mo.gov/mhd/global/pages/mednewssubscribe.htm> to subscribe to the electronic mailing list to receive automatic notifications of provider bulletins, provider manual updates, and other official MO HealthNet communications via E-mail.

**MO HealthNet Managed Care:** The information contained in this bulletin applies to coverage for:

- MO HealthNet Fee-for-Service
- Services not included in MO HealthNet Managed Care

Questions regarding MO HealthNet Managed Care benefits should be directed to the patient's MO HealthNet Managed Care health plan. Before delivering a service, please check the patient's eligibility status by swiping the red MO HealthNet card or by calling the Interactive Voice Response (IVR) System at 573-751-2896 and using Option One for the red or white card.

**Provider Communications Hotline**  
**573-751-2896**