STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Rhode Island

4.5b Medicaid	Recovery	Audit (Contractor	Program
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Citation			
Section l 902(a)(42)(B)(i) of the Social Security Act	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.		
	<u>X</u> The State is seeking an exception to establishing such program for the following reasons:		
	 program for the following reasons: The state maintains a low rate of errors in Medicaid payments, as is evidenced by the most recent PERM review which found an overall a 3.81 error rate; The last RAC contractor found few recoveries during two years of review. Based upon the small recovery, the contractor elected not to exercise the two option years under the contract. The State's estimate of errors to be recovered beyond the substantial controls are currently in place Prior to the expiration of the exception, the State will analyze the most recent PERM results and the most timely audit results from other programs According to recovery audit firms contacted by EOHHS, it is not cost-beneficial for auditing firms to submit bids due to the small number of enrollees and claims in our non-managed care programs; EOHHS has strong and effective controls that minimize the risk of improper payments. These include a robust pre- and post - payment automated review mechanisms and numerous additional audit controls to prevent and detect improper payments, implemented in collaboration with the agency's fiscal agent. Additionally, EOHHS has contractual relationships with a Pharmacy Benefit Manager, to ensure that through robust claims processing controls, concurrent and retrospective review of claims, and referrals to Program Integrity as needed, our beneficiaries receive medically necessary medications in the most cost-effective manner. EOHHS Program Integrity staff works closely with the Medicaid Fraud Control Unit (MFCU) on areas of focus that are aligned with the agency's strategic plan. 		
	 Several federal and state agencies conduct periodic reviews of the Medicaid eligibility systems, the claims processing function, and the Program Integrity unit 		

Effective Date: July 1, 2020

Section 1902(a)(42)(B)(ii)(I) of the Act	 The State/Medicaid agency has contracts of the type(s) listed in section 1 902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute. Place a check mark to provide assurance of the following: The State will make payments to the RAC(s) only from amounts recovered. The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	 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): 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. 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 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. The contingency fee rate paid to Medicare RACs, as published in the Federal Register. The State will exceed the highest rate paid to Medicare RACs, as published rate. 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.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	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): The state will pay a contingency fee rate at the same percentage as for overpayments
Section 1902 (a)(42)(B)(ii)(III) of the Act	The State has an adequate appeals process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	The State assures that the amounts expended by the State to carry out the program wil be amounts expended as necessary for the proper and efficient administration of the State Plan or a waiver of the plan.
Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act	The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.
Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act	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.

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