

PROGRAM DESCRIPTION

Department: Social Services

HB Section(s): 11.045

Program Name: Office of Director

Program is found in the following core budget(s): Recovery Audit Contract (RAC)

1a. What strategic priority does this program address?

Identify/recoup Medicaid provider overpayments

1b. What does this program do?

The federal government requires states to contract with a Recovery Audit Contractor (RAC) to identify and recoup Medicaid provider overpayments. State Medicaid programs may contract with one or more RACs to identify underpayments and overpayments and to recoup overpayments. Payments to Medicaid RACs are contingency-based and linked to overpayments the contracts identify. Missouri's first RAC contract ended November 30, 2015. There were no bidders for subsequent RAC contracts. Following the lead of other states in the same circumstance, DSS submitted a State Plan Amendment (SPA) to request a waiver of the RAC requirement. CMS granted waivers between 2015 and 2022. CMS stated no further RAC waivers will be granted. DSS will be contracting with HMS to be the RAC effective 01/01/2023. CMS has agreed to pay any contingency fees that DSS would owe HMS for Medicaid funds recovered on behalf of the state.

Missouri Medicaid Audit and Compliance (MMAC) works with a contractor to verify recoupment and/or payments. Once 100% of the payment has been received for the audits conducted, an invoice is submitted by the contractor for the contingency fee percentage related to the amount of recoveries.

Contingency Fee Percentages

Total Amount of Overpayment Recoveries	Contingency Percentage of Total Overpayments Recovered
\$0 to \$10,000,000	12.0%
\$10,000,000.01 to \$20,000,000	9.5%
\$20,000,000.01 to \$50,000,000	8.0%
\$50,000,000.01 to \$60,000,000	9.0%
> \$60,000,000.01	12.0%

No performance measures are included for this program as it is an accounting mechanism.

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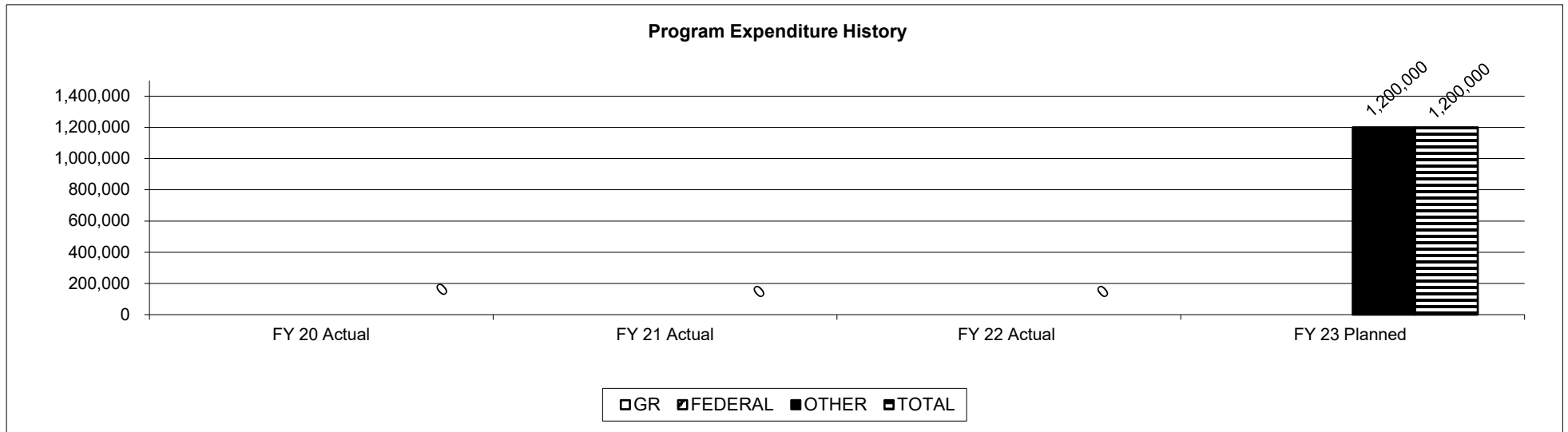
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Recovery Audit and Compliance Fund (0974)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 6411 of the Patient Protection and Affordable Care Act (PPACA; Public Law 111-148) and the Health Care and Education Reconciliation Act (HCERA; Public Law 111-152) and Section 1902 (a) (42) (B) (ii) (IV) (contractor) of the Social Security Act.

6. Are there federal matching requirements? If yes, please explain.

No.

7. Is this a federally mandated program? If yes, please explain.

Yes. States are required to contract to identify and recoup Medicaid provider overpayments.