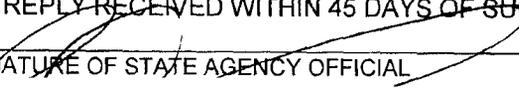


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10 -- 037	2. STATE: COLORADO
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 12/31/2010	
5. TYPE OF PLAN MATERIAL (Check One): NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A NEW PLAN X AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION Section 6411(a)(1) of Affordable Care Act		7. FEDERAL BUDGET IMPACT a. FFY2011 Net Savings, unknown amount b. FFY2012 Net Savings, unknown amount	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 4.5 Medicaid Agency Fraud Detection and Investigation Program, new pages 37 through 39.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)	
10. SUBJECT OF AMENDMENT To establish a Recovery Audit Contractor (RAC) Program in Colorado.			
11. GOVERNOR'S REVIEW (Check One) GOVERNOR'S OFFICE REPORTED NO COMMENT X OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 29 July 2009 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: Barbara Prehmus	
13. TYPED NAME Robert Douglas			
14. TITLE Legal Division Director			
15. DATE SUBMITTED December 23, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED 12/23/10		18. DATE APPROVED 3/8/11	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL 12/31/10		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME Richard C. Allen		22. TITLE ARA, DMCHO	
23. REMARKS			

Section 1902 (a)(42)(B)(ii)(II)(bb)
of the Act

The State attests that if 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 following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:

None. State law does not authorize a contingency payment for recovery of underpayments, nor does it authorize a non-contingent payment methodology. The procurement will require the RAC to identify underpayments, but will not pay the RAC for doing so. Providers will need to submit a claim for previously underpaid services directly to the Department within the applicable limits for timely submission of claims in order to recoup identified underpayments.

The State will submit a justification seeking to pay the Medicaid RAC(s) a contingency fee higher than the highest contingency fee rate paid to Medicare RACs as published in the Federal Register.

The state is actively procuring its RAC vendor at the time of filing. While there is no intention to exceed the 12.5% cap, and the procurement contains a 12.5% bid limit, nonetheless should the procurement fail for lack of qualified bidders, and should it be necessary to exceed the 12.5% cap to secure qualified bidders, then the State will be submitting a justification to exceed the cap.

Section 1902 (a)(42)(B)(ii)(IV)(bb)
of the Act

Section 1902 (a)(42)(B)(ii)(IV)(cc)
of the Act

to appeal any adverse determination made by the Medicaid RAC(s).

The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.

The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.

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.

TN No.10-037
Supersedes
TN No. NEW

Approval Date: 3/8/11

Effective Date: 12/31/2010