

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

1 TRANSMITTAL NUMBER

10-014

2 STATE

North Dakota

FOR: HEALTH CARE FINANCING ADMINISTRATION

3 PROGRAM IDENTIFICATION
TITLE XIX OF THE SOCIAL SECURITY ACT
(MEDICAID)

TO REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4 PROPOSED EFFECTIVE DATE

December 31, 2010

5 TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6 FEDERAL STATUTE/REGULATION CITATION

42 CFR 455 and 1902(a)(42) of Act

8 PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Section 4.5b pages 36b and 36c (new)

7 FEDERAL BUDGET IMPACT

a FFY 2011 \$ unknown
b FFY 2012 \$ unknown

9 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

10 SUBJECT OF AMENDMENT

Amends the ND State Plan to add new state plan pages allowing Medicaid Recovery Audit Contractors to audit claims and to identify underpayments and overpayments as directed by Section 6411 of the Affordable Care Act.

11 GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED

Maggie D. Anderson, Director,
Medical Services Division

12 SIGNATURE OF STATE AGENCY OFFICIAL

13 TYPED NAME

Maggie D. Anderson

14 TITLE

Director, Division of Medical Services

15 DATE SUBMITTED

12/21/2010

16 RETURN TO

Maggie D. Anderson, Director
Division of Medical Services
ND Department of Human Services
600 East Boulevard Avenue Dept 325
Bismarck ND 58505-0250

17 DATE RECEIVED

12/21/10

18 DATE APPROVED

11/2/11

PLAN APPROVED - ONE COPY ATTACHED

19 EFFECTIVE DATE OF APPROVED MATERIAL

12/31/10

20 SIGNATURE OF REGIONAL OFFICIAL

21 TYPED NAME

Mary Marchioni

22 TITLE

Acting ARA, DMCHO

23 REMARKS

Revision HCFA-PM-88-10 (BERC)
December 2010

State North Dakota

4 5b Medicaid Recovery Audit Contractor Program

Citation	
Section 1902(a)(42)(B)(i) of the Social Security Act	<p><input checked="" type="checkbox"/> 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><input type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons</p>
Section 1902(a)(42)(B)(ii)(I) of the Act	<p><input checked="" 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 checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered</p> <p><input checked="" type="checkbox"/> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments</p>
Section 1902(a)(42)(b)(ii)(II)(aa) of the Act	<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 checked="" 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> <p><input type="checkbox"/> 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</p> <p style="text-align: right;">Continued on next page</p>

TN No 10-014
Supersedes
TN No NEW

Approval Date 11/2/11

Effective Date 12-31-2010

Revision HCFA-PM-88-10 (BERC)
December 2010

State North Dakota

4 5b Medicaid Recovery Audit Contractor Program – (continued)

Citation	
	<p><input type="checkbox"/> 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.</p>
<p>Section 1902(a)(42)(b)(ii)(bb) of the Act</p>	<p><input checked="" type="checkbox"/> 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).</p> <p>State will pay the Medicaid RAC a fee based on the amount of the discovered underpayment. Underpayments in the amount of \$1,000 or less will receive \$50.00 per underpayment found. Underpayments in the amount \$1,001 or greater will receive \$100 per underpayment found.</p>
<p>Section 1902(a)(42)(b)(ii)(III) of the Act</p>	<p><input checked="" type="checkbox"/> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902(a)(42)(B)(ii)(IV) (AA) of the Act</p>	<p><input checked="" type="checkbox"/> 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.</p>
<p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p><input checked="" type="checkbox"/> The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p>
<p>Section 1902(a)(42)(B)(ii)(IV)(cc) of the Act</p>	<p><input checked="" type="checkbox"/> 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.</p>

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