Revision: HCFA-PM-88-10 (BERC)
SEPTEMBER 1988

OMB No.: 0938-0193

State/Territory: <u>Louisiana</u>

<u>Citation</u>
42 CFR 455.12
AT-78-90
48 FR 3742
52 FR 48817

4.5 <u>Medicaid Agency Fraud Detection and Investigation
Program</u>

The Medicaid agency has established and will maintain
methods, criteria, and procedures that meet all
requirements of 42 CFR 455.13 through 455.21 and 455.23
for prevention and control of program fraud and abuse.

STATE LA
DATE REC'D JAN 0 5 1989
DATE APPV'D JAN 1 7 1989
DATE EFF OCT 0 1 1988
HCFA 179 88-22

A

TN No. 88-22
Supersedes
TN No. 83-20

Approval Date JAN 17 1989

Effective Date OCT 0 1 1988

HCFA ID: 1010P/0012P

36a

New: HCFA-PM-99-3   (CMSO)
         JUNE 1999

         State: Louisiana

Citation   4.5a   Medicaid Agency Fraud Detection and Investigation
Section 1902(a)(64) of   Program
the Social Security Act
P.L. 105-33   The Medicaid agency has established a mechanism to receive
                                        reports from beneficiaries and others and compile data
                                        concerning alleged instances of waste, fraud, and abuse relating
                                        to the operation of this title.

STATE   Louisiana
DATE REC'D   09-24-99
DATE APP'D   12-01-99   A
DATE EFF   08-05-99
HCFA 179   99-14

TN No. 99-14
Supersedes   Approval Date 12-1-99 Effective Date 8-5-99
TN No. _____

SUPERSEDES: NONE - NEW PAGE

Revision:

State **LOUISIANA**

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b   Medicaid Recovery Audit Contractor Program

Citation	
Section 1902(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.
	__X___ The State is requesting an extension of the exception to establishing such program for the following reasons: 1. The provisions of Act 568 of Louisiana Legislature excluded claims processed or paid through a capitated Medicaid managed care program from the RAC's scope of review. 2. The majority of Louisiana's Medicaid claims are processed or paid through a capitated managed care program. 3. State law limits the potential recoveries, making it difficult to attract potential vendors. Furthermore, the Department has determined that there are adequate auditing processes currently in place through the Surveillance Utilization Review unit (SURS), the Managed Care Special Investigation units and the CMS Unified Program Integrity Contractor (UPIC).
Section 1902(a)(42)(B)(ii)(I) of the Act	**Louisiana was previously granted an exception from August 6, 2023 through August 6, 2025, and now seeks an exception from August 6, 2025 through August 5, 2027. Louisiana believes the objectives of the RAC program are effectively obtained through current program integrity efforts.**
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	_____ The State/Medicaid agency will have contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts will 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.

	Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.
	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 fees paid will not exceed the regulatory contingency fee percentage.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	_____ 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 Federal Financial Participation (FFP) up to the amount equivalent to that published rate.
Section 1902 (a)(42)(B)(ii)(III) of the Act	_____ 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)(IV)(aa) 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): Payments to the RAC will be made on a flat fee basis from a pool of funds created through the identification of overpayments not to exceed the regulatory contingency fee percentage.
Section 1902(a)(42)(B)(ii)(IV(bb) of the Act	_____ The State has an adequate appeal process in place for entities 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.
Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act	_____ The State assures that the recovered amounts will be subject to 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.