

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



CENTERS for MEDICARE & MEDICAID SERVICES

MAR 09 2011

Stephen Fitton, Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Jacqueline Coleman

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal #10-023 Medicaid Recovery Audit Contractor Program
- Effective April 1, 2011

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Verlon Johnson", written over a horizontal line.

Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 10 - 23	2. STATE: Michigan
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR HEALTH FINANCING ADMINISTRATION DEPARTMENT OF HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE April 1, 2011
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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)

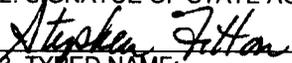
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a)(42) of SSA	7. FEDERAL BUDGET IMPACT: a. FFY 11 _____ \$ 56,250 b. FFY 12 _____ \$ 112,500
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: New pre-print pages 36a & 36b of Section 4.5(a)(1) - General Program Administration	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): n/a
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10. SUBJECT OF AMENDMENT:
Medicaid Recovery Audit Contractor Program

11. GOVERNOR'S REVIEW (Check One):

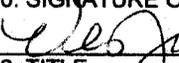
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Stephen Fitton, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Actuarial Division Capitol Commons Center - 7th Floor 400 South Pine Street Lansing, Michigan 48933 Attn: Jacqueline Coleman
13. TYPED NAME: Stephen Fitton	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: December 13, 2010	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 13, 2010	18. DATE APPROVED: MAR 09 2011
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: April 1, 2011	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPE NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator

23. REMARKS:

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

SEPTEMBER 1988

State: MICHIGANCitation4.5(a)(1) Medicaid Recovery Audit Contractor ProgramSection
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. The State is seeking an exception to establishing such program for the following reasons:Section
1902(a)(42)(B)(ii)(I)
of the Act 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.

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 will only submit for FFP up to the amount equivalent to that 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.

MAR 09 2011TN NO.: 10-23

Approval Date: _____

Effective Date: 04/01/2011

Supersedes

TN No.: NEW

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

SEPTEMBER 1988

State: MICHIGANCitation

- 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):
- Contingency fee.
- Section 1902
(a)(42)(B)(ii)(III) 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).
- 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 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)
(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.

TN NO.: 10-23Approval Date: MAR 09 2011Effective Date: 04/01/2011Supersedes
TN No.: NEW