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OMB No.: 0938-0193

State/Territory: ALASKA

Citation
42 CFR 455.12
AT-78-90
48 FR 3742
52 FR 48817

4.5 Medicaid Agency Fraud Detection and Investigation Program

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.

TN No. 88 -7
Supersedes
TN No. 83-6

Approval Date

11/25/89

Effective Date

10/1/88

HCFA ID: 1010P/0012P

New: HCFA-PM-9 (CMSO)
199

State: Alaska

Citation
Section 1902(a)(64) of
the Social Security Act
P.L. 105-33

4.5a Medicaid Agency Fraud Detection and Investigation
Program

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.

TN No. 99-009

Supersedes

TN No. _____

Approval Date 9-28-99 Effective Date 4-1-99

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Medical Assistance Program
State/Territory: Alaska

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

Citation

Section 1902(a)(42)(B)(i) of the
Social Security Act (the 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 a two year exception to establishing a RAC program effective July 1, 2026 – June 30, 2028 for the following reasons:

Section 902(a)(42)(B)(ii)(l) of the
Act

- Alaska has a robust and effective program integrity in place; therefore, RAC is not effective in Alaska. Alaska has multiple program integrity initiatives in place to combat fraud, waste, and abuse in the state's Medicaid program, including:
 - Alaska had a robust contract audit program in place prior to the RAC requirement, and this continues to date. In accordance with [Alaska Statute \(AS\) 47.05.200](#), Alaska must contract for the audit of a minimum of 50 providers annually. The payment arrangement for these audits is a fixed price per audit.
 - Alaska introduced a Medicaid provider self-audit requirement in 2018. [AS 47.05.235](#) requires providers to conduct a self-audit once every two years and return any overpayments identified during this process.
 - The Medicaid Program Integrity Section works closely with Qlarant Integrity Solutions, Inc., the Unified Program Integrity contractor for the region. Qlarant takes on the function of the Medi-Medi contractor and conducts reviews and audits of Alaska's Medicaid providers
 - Alaska's Surveillance Utilization Review Subsystem (SURS) section within the Division of Health Care Services has a well-developed fraud, waste, and abuse data analytics tool used to conduct claim reviews.
 - The Medicaid Program Integrity Section conducts post-payment claims reviews, working in collaboration with the quality assurance sections of the Medicaid divisions within the department.
 - The Department maintains a robust collaboration with the Alaska Medicaid Fraud Control Unit to enhance fraud detection and referral processes.
 - In 2012, Alaska secured a RAC using a multi-state approach to procurement. However, after two years, the contractor notified the state that the contingency fee arrangement was not viable as it did not recover a material amount of overpayments, and terminated the contract. Small Medicaid programs have a very difficult time attracting qualified RACs.
 - The existing provider audits and reviews listed above could create duplicated provider audits, conflicting findings between RAC and Medicaid Program Integrity unit, higher administrative costs, and delays in appeals from overlapping audit processes.
- ☐ The state Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(H)(l) of the Act. All contracts meet the requirements of the statute and RACs are consistent with the statute.

Section 1902
(a)(42)(B)(ii)(ll)(aa) of the Act

Place a checkmark to provide assurance of the following:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Medical Assistance Program
State/Territory: Alaska

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

- ☐ The state will make payments to the RAC(s) only from amounts recovered.
- ☐ The state will make payments to the RAC(s) on a contingency basis for collecting overpayments.

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 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)(ll)(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):

Section 1902 (a)(42)(B)(ii)(lll) of
the Act

- ☐ The state has an adequate 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 it expends 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.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Medical Assistance Program
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SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

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.