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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

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HCFA ID: 1010P/0012P

New: HCFA-PM-9 (CMSO)  
199

State: Alaska

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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.

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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

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#### 4.5 Medicaid Recovery Audit Contractor Program

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.

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

- The state is seeking an exception to establishing a RAC program for the following reasons:
- 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.
  - 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
  - In addition to the various contract auditors and the Medicaid Provider Self-audit Program, the Surveillance Utilization Review section within the Division of Health Care Services (SURS) and the Medicaid Program Integrity Section also conduct claims reviews, working in collaboration with the quality assurance sections of the Medicaid divisions within the department.
- The state Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(H)(I) of the Act. All contracts meet the requirements of the statute and RACs are consistent with the statute.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
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#### 4.5 Medicaid Recovery Audit Contractor Program

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

Place a checkmark 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 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)(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):

Section 1902 (a)(42)(B)(ii)(III) 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.

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**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.