

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
State/Territory: SOUTH DAKOTA

SECTION 4. GENERAL PROGRAM ADMINISTRATION

Citation

4.5 Medicaid Agency Fraud Detection and Investigation Program

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

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.

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Citation 4.5a Medicaid Agency Fraud Detection and Investigation Program

Section 1902(a)(64) of the 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.

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Citation

4.5b Medicaid Recovery Audit Contractor Program

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 seeking an extension to the exception to establishing such program for the following reasons:

- (1) The State maintains a low rate of errors in Medicaid payments, as evidenced by the most recent PERM review; and
- (2) The State's estimate of the potential amount of payment errors to be recovered is low based in part on relatively low Medicaid enrollment and associated expenditures such that there would not be enough revenue generated to fund an adequate enough contingency fee to attract sufficient bidding attention from vendors; and
- (3) In fiscal year 2020 the State had total Medicaid and CHIP expenditures of \$992.65 million. For this period the State had an average monthly enrollment of 115,731 eligible recipients and a total of 141,620 eligible recipients during the fiscal year. Of these individuals 113,291 were enrolled in the Primary Care Case Management or the Health Home program.

_____ 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.

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Citation 4.5b Medicaid Recovery Audit Contractor Program (continued)

Place a check mark to provide assurance of the following:

Section 1902(a)(42)(B) The State will make payments to the RAC(s) only from amounts
(ii)(I) of the Act recovered.

Section 1902(a)(42)(B) The State will make payments to the RAC(s) on a contingent
(ii)(II)(aa) of the Act basis for collecting overpayments.

The following payment methodology shall be used to determine State payments to Medicaid RACs for recovered overpayments (e.g., the percentage of the contingency fee):

Section 1902(a)(42)(B) The State attests that if the contingency fee rate paid to the
(ii)(II)(bb) of the Act 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 following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:

The State will submit a justification seeking to pay the Medicaid RAC(s) a contingency fee higher than the highest contingency fee rate paid to Medicare RACs as published in the Federal Register.

Section 1902(a)(42)(B) The State has an adequate appeal process in place for entities to
(ii)(III) of the Act appeal any adverse determination made by the Medicaid RAC(s).

Section 1902(a)(42)(B) The State assures that the amounts expended by the State to
(ii)(IV)(aa) of the Act 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) The State assures that the recovered amounts will be subject to a
(ii)(IV)(bb) of the Act State's quarterly expenditure estimates and funding of the State's share.

Section 1902(a)(42)(B) Efforts of the Medicaid RAC(s) will be coordinated with other
(ii)(IV)(cc) of the Act 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. 13-2
 Supersedes
 TN No. 10-1

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