

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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SECTION 4. GENERAL PROGRAM ADMINISTRATION

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 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. In its fiscal year 2015 the State had total Medicaid expenditures of \$822,098,263 and 105,220 total Title XIX eligibles. CHIP expenditures in state fiscal year 2015 totaled \$6,244,613 with 12,126 total Title XXI eligibles.

This State Plan Amendment (SPA) will be in effect until May 31, 2019. Prior to that time, the State will analyze the most recent PERM results and most timely Medicaid enrollment and associated Medicaid expenditures and, based on that analysis, submit to CMS either

- (1) A new request for an exception; or
- (2) A SPA establishing the State’s RAC 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.

