March 28, 2011

Dr. Jerry Dubberly, Chief
Georgia Department of Community Health
Medicaid Division
2 Peachtree Street, NW, 40th Floor
Atlanta, Georgia 30303

Re: Georgia Medicaid Recovery Audit Contractor Program, Transmittal # 10-019

Dear Dr. Dubberly:

We have reviewed the proposed amendment to the Georgia Medicaid State Plan that was submitted under transmittal number 10-019 and received in the Regional Office on December 28, 2010. This amendment allows the Georgia Medicaid program to establish programs to contract with one or more Medicaid RACs for the purpose of identifying underpayments and overpayments and recouping overpayments under the State Plan and under any waiver of the State Plan with respect to all services. All Medicaid RACs must be paid on a contingent basis for collecting overpayments.

Based on the information provided, the Medicaid State Plan Amendment GA 10-019 was approved on March 24, 2011. The effective date of this SPA is January 1, 2012. The signed HCFA-179 and the approved plan pages are enclosed.

If you have any questions regarding this amendment, please contact Carolyn Brown at (404) 562-7421.

Sincerely,

Jackie L. Glaze
Associate Regional Administrator
Division of Medicaid & Children’s Health Operations

Enclosures
<table>
<thead>
<tr>
<th>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TRANSMITTAL NUMBER: 10-019</td>
</tr>
<tr>
<td>2. STATE: Georgia</td>
</tr>
<tr>
<td>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) XIX</td>
</tr>
<tr>
<td>4. PROPOSED EFFECTIVE DATE: July 1, 2011</td>
</tr>
</tbody>
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5. TYPE OF PLAN MATERIAL (Check One):

- [ ] NEW STATE PLAN
- [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN
- [X] AMENDMENT

<table>
<thead>
<tr>
<th>COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. FEDERAL BUDGET IMPACT:</td>
</tr>
<tr>
<td>a) FFY 2011 $ 0</td>
</tr>
<tr>
<td>b) FFY 2012 $ 0</td>
</tr>
</tbody>
</table>

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.5, pp. 1-3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): None, This is NEW

10. SUBJECT OF AMENDMENT: Recovery Audit Contractors (RACs) for Medicaid

11. GOVERNOR'S REVIEW (Check One):
- [ ] GOVERNOR'S OFFICE REPORTED NO COMMENT
- [X] COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Tom W. Dubberly

14. TITLE: CHIEF, Medicaid Division

15. DATE SUBMITTED: 3/28/11

16. RETURN TO:
Department of Community Health
Medicaid Division
2 Peachtree Street, N.W.
Atlanta, Georgia 30303-3159

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/28/10
18. DATE APPROVED: 03/24/11

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/12

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Jackie Glaze
22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health Options

23. REMARKS:

Approved with the following changes as authorized by State Agency on emails dated 03/23/11 and 02/18/11:

Block #4 Changed to read: January 1, 2012; Block #8 Changed to read: preprint pages 30b, 36c and 36d.
### GENERAL PROGRAM ADMINISTRATION

#### 4.5 Medicaid Recovery Audit Contractor Program

<table>
<thead>
<tr>
<th>Citation</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section</td>
<td>XXX The State is seeking an exception to establishing such program for the following reasons: The State will establish on or by January 1, 2012 a Medicaid Recovery Audit Contractor. The state is requesting an exception to the April 1, 2011 deadline due to proposed legislation that would prohibit contingency fee Medicaid Recovery Audit Contractors (copy of House Bill attached).</td>
</tr>
<tr>
<td>1902(a)(42)(B)(i)(I) of the Act</td>
<td>The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(i)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.</td>
</tr>
</tbody>
</table>

Place a check mark to provide assurance of the following:

- XXX 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.

* Please see attached proposed legislation.

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**TN No.: 10-019**

**Supersedes:**

**TN No.: NEW**

**Approval Date:** 03-24-11

**Effective Date:** 01-01-12
### GENERAL PROGRAM ADMINISTRATION

#### 4.5 Medicaid Recovery Audit Contractor Program

| 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.

| 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):
| | Please see attached proposed legislation

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**TN No.: 10-019**  
Supersedes:  
TN No.: **NEW**  
Approval Date: **03-24-11**  
Effective Date: **01-01-12**
### GENERAL PROGRAM ADMINISTRATION

#### 4.5 Medicaid Recovery Audit Contractor Program

<table>
<thead>
<tr>
<th>Section 1902 (a)(42)(B)(ii)(III) of the Act</th>
<th>XXX__ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</th>
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</thead>
<tbody>
<tr>
<td>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</td>
<td>XXX__ 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.</td>
</tr>
<tr>
<td>Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act</td>
<td>XXX__ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</td>
</tr>
<tr>
<td>Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act</td>
<td>XXX__ 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.</td>
</tr>
</tbody>
</table>
January 28, 2010

Ms. Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Medicare Services
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303

RE: State Plan Amendment 10-019

Dear Ms. Glaze:

The Georgia Department of Community Health, Division of Medicaid, submits amended documents which will add the Recovery Audit Contractors to the State Plan.

The amendment specifically adds Medicaid Recovery Audit Contractors Section 1902 (a) (42) of the Act, with an effective start date of July 1, 2011. The Request for Proposal is currently in process with a bidder’s deadline tentatively set for March 15, 2011.

If you should have questions or need additional information, please contact Ms. Gia Compton at 404-657-1502, or via email at gcompton@dch.ga.gov.

Sincerely,

Jerry Dubberly, Chief
Medicaid Division

JD:jl
GEORGIA
STATE PLAN AMENDMENT REVIEW SHEET

TRANSMITTAL: 10-019    DATE ASSIGNED: 12-28-10    RO LEAD: Carolyn Brown

COVERAGE COORD: TBD    ELIGIBILITY COORD: Rita Nimmons

STATE COORD: Carolyn Brown    FIN ANALYST: Charlie Arnold

IT ANALYST: David Hinson    RO FUNDING SPEC: Amr Ali

RO FUNDING SPEC:    RO NRT ANALYST: Stanley Fields

NRT ANALYST: Venesa Day    CO FUNDING SPEC: Robert Lane

PHARMT ANALYST: Bernadette Leedes    NIPT ANALYST: Sheri Gaskins/Yvette Moore

TITLE/SUBJECT:
Recovery Audit Contractors (RAC) for Medicaid (preprint)

DATE FORWARDED TO:
NRT: N/A    NIPT: N/A    PHARMT: N/A    CMS SPA: 12-28-10
MCO

******************************************************************************

TYPE OF TRANSMITTAL
X New Plan Amendment
Comments From CO
Response From State
Other

ACTION DATES
Revised Pages
Date Rec’d in CMS 12-28-10
Withdrawal/RAI 15-Day Status
Withdrawal/SPA 75th Day Alert 03-14-11

90th Day 03-28-11

RO NIPT Overview
Due 20 days after receipt of
Tool Due Date N/A
SPA

REVIEWER’S RECOMMENDATION
Draft Letter to CO Partial Disapproval Recommending Disapproval

Official Letter to SA Partial Approval Recommending Approval

COMMENTS AND/OR INSTRUCTIONS

15-Day Status:


PRIMARY REVIEWER/DATE

CONCURRENCES

SIGNATURE/TITLE/DATE

SIGNATURE/TITLE/DATE

SIGNATURE/TITLE/DATE
Holly, Mary V. (CMS/CMCHO)

From: CMS SPA_Waivers_Atlanta_R04 [SPA_Waivers_Atlanta_R04@cms.hhs.gov]
Sent: Tuesday, December 28, 2010 11:18 AM
To: Holly, Mary V. (CMS/CMCHO); Noonan, Darlene F. (CMS/SC); Gilbert, Rosario G. (CMS/SC)
Subject: FW: GA 10-019
Attachments: D4701012271743.tif; spa 10-019.doc

From: Gia Compton [SMTP:GCOMPTON@ADCH.GA.GOV]
Sent: Tuesday, December 28, 2010 11:18:08 AM
To: CMS SPA_Waivers_Atlanta_R04
Subject: FW: GA 10-019
Auto forwarded by a Rule
GEORGIA STATE CLEARINGHOUSE MEMORANDUM
EXECUTIVE ORDER 12372 REVIEW PROCESS

TO: Erika Perry  
    Georgia Dept. of Community Health  
    2 Peachtree St., 40th Floor  
    Atlanta, GA 30303

FROM: Barbara Jackson  
      Georgia State Clearinghouse

DATE: 12/22/2010

PROJECT: SPA 10-019: RAC for Medicaid

STATE ID: GA101222002

The State level review of the above referenced proposal has been completed. This proposal has been found to be consistent with those state or regional goals, policies, plans, fiscal resources, criteria for Developments of Regional Impact (DRI), environmental impacts, federal executive orders, acts and/or rules and regulations with which the state is concerned. THIS MEMORANDUM AND ITS ENCLOSURES (IF ANY) MUST BE FORWARDED BY YOU TO THE FEDERAL FUNDING AGENCY. Be sure to retain a copy for your files. Thank you.

Additional Comments: No enclosures.

/bj
cc: Gia Compton, DCH  
    Paula Brown, OPB

Form SC-4  
Oct. 2008
STATE PLAN MATERIAL

TO: Scott FrederKing

FROM: Toni Prine/Rob Finla

UNIT: OIG
PHONE: 404-463-7487

DATE: 12-21-10

Subject of Amendment:
ACA’s Medicaid Recovery Audit Contractor

Proposed Effective Date: 7-1-2011

FEDERAL BUDGET IMPACT

Budget Staff: [Signature] Date: 12/14/10

FFY 11 $ 0
FFY 12 $ 0

STATE BUDGET IMPACT

Budget Staff: [Signature] Date: 12/14/10

FFY 11 $ 0
FFY 12 $ 0

Federal Regulation Citation(s) or Reference(s):
1902 (a) (42) (b) (1)

Reviewed and Approved:

Toni Prine
Coordinator or Manager

Date: 12/21/10

[Signature]
Division of Office Director

Date: 12/21/10

Contents: (check only those applicable)

Cover Letter to HCFA
Proposed Plan Pages
Newspaper Tear Sheet
of Public Notice

Backup Material
Other:

FOR STATE PLAN OFFICE USE
## CORRESPONDENCE REVIEW FOR CHIEF'S SIGNATURE

**Current Date:** 1/30/2010  
**Date Due:**  
**Tracking # (if applicable):** 10-019

**TO:** Jerry Dubberly, Chief  
**FROM:** E. Perry, Division/Unit: Medical Policy  
**SUBJECT:** Recovery Audit Contractors

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<tr>
<th>Staff</th>
<th>Initial</th>
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<td>Anderson, Charles</td>
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<td>Compton, Gia</td>
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<td>1/26/R</td>
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<td>Dubberly, Jerry</td>
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<td>Preston, Margie</td>
<td>Erika Dimes</td>
<td>1/30/11</td>
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<td>Washington, Adrian</td>
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</table>

**Comments:**

**Please Return To:** Erica Perry  
**Telephone #:** 407-657-9181  
**Document Saved As:**