

PROVIDER BULLETIN No. 14-22

DATE: April 29, 2014

TO: All Nebraska Medicaid Providers

FROM: Jeanne Larsen *jml*
 Division of Medicaid & Long-Term Care

BY: Lea Clauss
 Program Integrity

RE: Nebraska Medicaid Recovery Audit Contract (RAC) Program

Please share this information with professional, clinical, administrative, and billing staff.

Section 6411(a)(1) of the Patient Protection and Affordability Care Act of 2010 requires states to contract with a Recovery Audit Contractor (RAC) to identify overpayments and underpayments and to collect overpayments. The purpose of the Medicaid RAC initiative is to complete audits of claims based on established Medicaid coverage, payment, and billing policies. The complete final rule may be viewed at <http://www.gpo.gov/fdsys/pkg/FR-2011-09-16/pdf/2011-23695.pdf>

The Nebraska Department of Health and Human Services (DHHS) entered into a contract with HMS (Health Management Systems, Inc.) as the Nebraska Medicaid Recovery Audit Contractor (RAC). DHHS Division of Medicaid and Long-Term Care (MLTC) oversees the Medicaid RAC program for the State of Nebraska. The terms of the contract direct HMS to audit provider claims and associated medical and financial records.

HMS will conduct three types of reviews, automated, semi-automated and complex reviews. All audits and algorithms go through state specific analysis and are approved by MLTC prior to their implementation.

- Automated Reviews are algorithms through which improper payments can be identified from claim data and established Medicaid policy and rules.
- Semi-automated Reviews are algorithms using claim data, established Medicaid policies and rules, in addition to some review of medical records or other documents.

- Complex Reviews involve the examination of medical records or other documents and on-site auditing.

Providers who contest HMS's findings have 30 days from the date of the preliminary finding letter to submit supporting documentation to HMS. After reviewing the provider's documentation, HMS will then notify Nebraska Medicaid of the findings. Nebraska Medicaid will issue the final review letter to the provider with detailed instructions regarding underpayments or overpayments.

HMS has reached out to many provider associations in Nebraska to offer education and assistance. Providers are encouraged contact HMS or their provider association for more information. HMS provider education and resources are available at <http://www.medicaid-rac.com/providers/>.

Information regarding the Nebraska Medicaid RAC is available on the Department's website at <http://dhhs.ne.gov/medicaid/Pages/Recovery-Audit-Contractors.aspx> or by contacting HMS at <http://www.medicaid-rac.com/neproviders> or (855) 699-6290.

If you have questions about the Nebraska Medicaid RAC program, please contact Lea Clauss at (402)471-1019 or Wendall Roberts at (402)471-8366.