

New: December 31, 2010

State: Vermont**4.5b Medicaid Recovery Audit Contractor Program**CitationSection 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.

The State is seeking an exception to establishing such program for the following reasons:

More than 95% of Vermont's Medicaid beneficiaries are enrolled in managed care. The number of Vermont Medicaid beneficiaries and the associated claims expenditures in non-managed care programs is too low to attract a Recovery Audit Contractor compensated on a contingency fee basis.

Section 1902(a)(42)(B)(ii)(I)  
of the Act

This SPA will be in effect as long as the current GC Waiver is in effect. At the expiration of the waiver's renewal period, Vermont must submit to CMS either:

- a) A new request for an exemption; or
- b) A SPA establishing a Medicaid 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.\*

Place a check mark to provide assurance of the following:

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

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.

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.

TN No. 11-033  
Supersedes  
TN No. 11-005

Effective Date: 01/01/12Approval Date: 03/02/12