



January 23, 2013

HMS Awarded Recovery Audit Contract by the State of Alaska

In 2010, Section 6411 of the Patient Protection and Affordable Care Act (ACA) required states to implement Recovery Audit Contracts (RACs) in order to help ensure the fiscal integrity of their Medicaid programs. After a competitive procurement process, The State of Alaska Department of Health and Social Services (DHSS) announce that Health Management Systems (HMS) has been selected to serve as the State's RAC vendor.

HMS has been a trusted partner in Medicaid program integrity initiatives for more than 25 years and is currently the Medicaid RAC vendor in over 30 states. All reviews are performed by teams of registered nurses and certified coders and overseen by board certified physicians. HMS will also be providing a dedicated Provider Services team to support outreach, education, and other support via toll free phone lines and secure 24/7 online access to the HMS Provider Portal.

At this time, DHSS and HMS are in the implementation phase of the RAC program and just beginning to identify potential areas of focus. In the coming months, HMS and DHSS will be conducting joint outreach and informational webinars to further define the scope of the Alaska RAC program. When specific provider types have been identified for RAC review, HMS and DHSS will contact the applicable provider associations and offer targeted educational opportunities. More information will be forthcoming prior to the release of the first review.

DHSS will work with HMS to ensure compliance with Centers for Medicare and Medicaid Service's (CMS) final rule regarding Medicaid RACs. Among the highlighted requirements:

- RACs must identify both overpayments and underpayments and recover overpayments
- States must adequately incentivize the detection of underpayments and must notify providers of such underpayments when identified by the RAC
- States must coordinate the recovery audit efforts of their Medicaid RACs with other auditing entities
- RACs must not review claims that are older than 3 years from the date of the claim, unless it receives approval from the State
- RACs should not audit claims that have already been audited by another entity
- States must provide appeal rights under State law or administrative procedures to Medicaid providers that seek review of an adverse RAC determination
- RACs must work with the State to develop an education and outreach program for providers and other stakeholders