



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of
Health and Social Services**

DIVISION OF HEALTH CARE SERVICES
Office of the Director

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September 25, 2014

Dear Tribal Health Leader,

On behalf of the Department of Health and Social Services (DHSS), I am writing to inform you of a proposed future Medicaid State Plan Amendment (SPA,) in keeping with DHSS's responsibility to conduct tribal consultation.

Request for exemption from Recovery Audit Contractor requirement: The Department intends to submit a SPA that would exempt the State of Alaska DHSS from the Recovery Audit Contractor (RAC) requirement. The RAC program is federally required in section 1902(a)(73) and section 2107 (e) (1) of the Social Security Act.

Funding for the contract is paid on a contingency fee basis from recoveries made by the RAC. The contract has been in place for two years, and the RAC contractor has not recovered a material amount of overpayments. The contractor is amenable to exercising the option to end the contract. Prior to the RAC program, Alaska had a robust contract audit program which continues today. In addition to Alaska's audit contract, claims reviews are also conducted by Surveillance and Utilization Review (SURS) and Medicaid Program Integrity.

The state believes these reasons substantiate an exception to the RAC program and propose submitting a SPA selecting the option for an exemption.

Please provide any written comments or questions regarding this State Plan Amendment within 30 days of the date of this letter to Gennifer Moreau, Alaska Department of health and Social Services, 4501 Business Park Blvd, Building L, Anchorage, Alaska 99503 or gennifermoreau@alaska.gov. Please also feel free to call at (907) 334-2653, or if you would like to arrange a meeting to discuss this upcoming State Plan Amendment please make a request in writing within 15 days of receipt of this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gee".

Gennifer Moreau,
Medicaid State Plan Coordinator