



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

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COMPLIANCE ALERT 11-03

CMS Announces Delay of State Medicaid RAC Programs and Website for Medicaid RAC Implementation

Medicaid RAC Implementation Delay. Recently, CMS announced an implementation delay for the Medicaid RAC programs that previously had been announced as April 1, 2011. No new firm date has been announced.

In the announcement, CMS stated that...."Out of consideration for State operational issues and to ensure States comply with the provisions of the Final Rule, we have determined that States will not be required to implement their RAC programs by the proposed implementation date of April 1, 2011. Instead, when the Final Rule is published, it will indicate the new implementation deadline. We anticipate the final rule will be issued later this year." Comments on the proposed rule were due in mid-January so CMS is now in the process of finalizing the Medicaid RAC rule which should be published later this year.

New Medicaid RAC website. A new website <http://www.cms.gov/medicaidracs/home.aspx> by CMS has been uploaded to update the status of the Medicaid RAC implementation. According to the website, "Section 6411 of the Affordable Care Act of 2010 required States and territories to establish Medicaid Recovery Audit Contractor (RAC) programs. Medicaid RACs are tasked with identifying and recovering Medicaid overpayments and identifying underpayments. As an initial step for establishing their RAC programs, jurisdictions are expected to submit a Medicaid State Plan amendment (SPA) that addresses some of the essential elements of their RAC program." According to the site, as of 2/23/11 Hawaii's SPA was submitted on December 23, 2010.

Source: <http://www.cms.gov/MedicaidIntegrityProgram/Downloads/6411racdelay.pdf>