



North Carolina Department of Health and Human Services
Division of Medical Assistance

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Beverly Eaves Perdue, Governor
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MEMORANDUM

TO: DMA Management & State Plan E-mail Subscribers

FROM: Teresa J. Smith, State Plan Coordinator

SUBJECT: Update to State Plan for Medical Assistance (198)

DATE: February 24, 2011

The following changes were made in the NC Medicaid State Plan manual. You may view the Plan on DMA's website at <http://www.ncdhhs.gov/dma/plan/index.htm>.

SPA# 10-037

This state plan change fulfills the CMS requirement that States establish programs to contract with Recovery Audit Contractors (RACs) to audit payments to Medicaid providers by December 31, 2010. North Carolina Medicaid has an existing contract of the type listed in section 1902 (a)(42)(B)(ii)(I) of the Act, which is being amended to fulfill all required activities of a RAC. The State will make payments to the RAC on a contingent basis for collecting overpayments, and the contingency fee paid will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register. Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program

OLD PAGE(S): None

NEW PAGE(S): Page 79z.1 and 79z.2

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