1. **What is the Recovery Audit Contractor (RAC) program?**
   Under Section 6411(a) of the Affordable Care Act, each state must contract with a vendor to review provider claims. The purpose of the review is to reduce improper payments for the Arizona (AHCCCS) Medicaid program through the detection and collection of overpayments, the identification of underpayments and the implementation of actions that will prevent future improper payments.

2. **Who does AZ Medicaid contract with for the RAC program?**
   Health Management Systems (HMS) has been contracted to act as the Recovery Audit Contractor for Arizona.

3. **Does RAC only review current claims?**
   RAC reviews may be conducted for current claims as well as those that fall within Arizona's allowable RAC program "lookback" period.

4. **How far back can the RAC go in reviewing claims?**
   The lookback period is defined as five (5) years from claim date of service (from date). The lookback period applies to requests for medical records for complex reviews or notification of findings for automated reviews.

5. **How are RAC reviews conducted?**
   HMS utilizes two types of reviews for the RAC program. These are automated reviews and complex reviews.

6. **What is an automated review?**
   Automated reviews are conducted by HMS using data mining algorithms to identify overpayment of claims paid by AHCCCS. An automated review can occur when potential overpayments are identified from claim data elements. The data from the claims is weighed against well-established policies and rules. The automated review does not require the examination of medical records or other documents.

7. **What is a complex review?**
   A complex review requires human intervention for the review to be completed. Unlike an automated review, a complex review requires a manual review of medical records or other documents to fully evaluate the validity of claims submitted.

   When a complex review is initiated, a Medical Records Request Letter is sent to providers. The letter requests medical records and other relevant documentation needed to complete the review.

8. **Will the RAC be conducting automated reviews and if so, will providers receive notice that their claims are being audited?**
   The RAC will conduct ongoing automated reviews of transactions that have been processed by AHCCCS. Providers will not be notified when claims are included in an automated review but will receive a notification if an overpayment is identified.

9. **Will the RAC audit all the claims submitted by a facility?**
   The RAC may look at any claims submitted by a facility.

10. **Are there limitations to the number of claims which can be reviewed?**
    There are no limitations to the number of claims which can be reviewed, however, under the complex clinical reviews AHCCCS has established limits for the number of medical records requested each month for each provider. These limits are reviewed and approved by AHCCCS.

11. **Will the audits focus only on institutional providers?**
    No. All Medicaid provider types will be subject to audit by the RAC program, including, but not limited to laboratories, individual providers such as physicians, therapists, durable medical equipment providers, long term care and home health providers.

12. **How are claims selected for review?**
    AHCCCS and HMS collaborate to develop a scope for the review, including the type of claims to be reviewed, the applicable state and federal policies, claims payment system logic, etc. Once the scope is approved by AHCCCS, HMS' algorithms are applied to claims data and claims are selected for review.

13. **Can I submit records electronically?**
    Yes. The Medical Records Request letter from HMS will provide information related to medical records submission, including submission methods and timelines. HMS accepts provider submissions via Secure File Transfer Protocol (SFTP) or via HMS Provider Portal.

14. **How do I sign up to use the HMS Provider Portal?**
    Please visit https://hmsportal.hms.com/ and follow the User Registration instructions.

15. **Will the RAC or AHCCCS pay for copying medical records?**
    No. Providers are required to retain and, upon request, submit medical records to support the billing and reimbursement of Medicaid claims pursuant to the terms and conditions of their Medicaid Provider Participation Agreement at their own expense.

16. **How long do I have to respond to a medical record request?**
    For complex reviews, providers have thirty (30) calendar days from the date of the Medical Record Request Letter to submit documentation.

17. **What happens if I have a delay in obtaining records specified in the Medical Records Request Letter?**
    It is the responsibility of all providers to submit medical records timely upon first request. However, if for any reason providers cannot submit records within thirty (30) calendar days from the initial request for medical records, an additional thirty (30) calendar days will be granted for medical record submission upon receipt of the Follow-Up Medical Record Request Letter.

Upon expiration of the second thirty (30) day timeframe, providers will receive a Technical Denial Letter.

PLEASE NOTE: Failure to remit medical records requested by AHCCCS or any AHCCCS contractor by the established deadline will result in recoupment of the paid claim by AHCCCS.

18. **After I have read the Preliminary Findings Letter, may I submit additional documentation for review?**
    Yes. You have thirty (30) calendar days from the date of the Preliminary Finding Letter to submit any additional documents and request a Rebuttal Review. The RAC will review additional documents within thirty (30) calendar days of receipt.

    The outcome of that review will be provided to you by mail on a Rebuttal Uphold or Rebuttal Overturn Letter. If the rebuttal is upheld by HMS, you will receive an additional thirty (30) days to submit additional documentation if you disagree.

19. **After I have read the Follow-Up Preliminary Findings Letter, may I submit additional documentation for review?**
    You will receive a Follow-Up Preliminary Finding if you were unresponsive to the initial notification. The RAC will allow an additional thirty (30) days to submit additional documents and request a Rebuttal Review. The RAC will review additional documents within thirty (30) calendar days of receipt.

    The outcome of that review will be provided to you by mail on a Rebuttal Uphold or Rebuttal Overturn Letter.

20. **What happens if I disagree with the findings in the Formal Action Demand Letter?**
    If you disagree with the findings defined in the AHCCCS Formal Action Demand Letter, you may request a State Administrative Hearing or an Informal Conference. The request for an Administrative Hearing must be submitted in writing within sixty (60) calendar days of the date on the AHCCCS Formal Action Demand Letter. Requests for an Informal Conference must be submitted in writing within thirty (30) calendar days of the date on the AHCCCS Formal Action Demand Letter. The AHCCCS Formal Action Demand Letter includes the instructions and filing deadlines.

21. **What happens if I fail to respond to a Preliminary Finding Letter or Formal Action Demand Letter?**
    AHCCCS will initiate an automatic recoupment of the overpaid amount.

22. **Can the RAC audit a claim that was audited by someone else?**
    If the claim has been or is currently being audited, for the same audit reason, by a state or federal agency or by a contractor working for a state or federal agency, then the RAC cannot audit the claim.

23. **How will overpayments be recouped?**
    AHCCCS will recoup using any methods available to it, including but not limited to withholding and offsetting against current or future payments to be paid to you or through collections efforts. AHCCCS

takes this action pursuant to the terms of your Provider Participation Agreement (PPA), A.R.S. § 36-2903.01(L), A.A.C. § R9-22-703(F), and A.A.C. § R9-22-713(B).

AHCCCS is willing to consider payment terms of a repayment agreement pursuant to authority granted by A.A.C. § R9-22-713. However, if no repayment agreement is entered within 30 days of your receipt of the AHCCCS Formal Action Demand - Notice of Intent to Offset and Collect, AHCCCS will no longer consider a repayment agreement and will immediately recover the overpayment through withholding, offset, or collections until such time as the overpayment amount is paid in full.

24. What happens if my medical records are incomplete?

HMS will review records received. If it appears incomplete records were submitted, HMS will issue an Insufficient Medical Record Letter. You will then have an additional 30 days to submit the missing records.

25. How do I update the RAC Contact and RAC Address in the HMS Provider Portal?

Please review the posted HMS Provider Portal Training document or contact HMS Provider Services at 833-712-7888 for help updating the contact name and address in the Provider Portal.

26. Are claims that require prior authorization excluded for the audit process?

No. All Medicaid claims, including those that require prior authorization, are subject to RAC program audit and review process.