

## DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES

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**SUBJECT:** Recovery Audit Contractor Exemption SPA (20 CAR pt. 570)

**DESCRIPTION:**

**Statement of Necessity**

The Centers for Medicare and Medicaid Services (CMS) requested that the Arkansas Department of Human Services submit a State Plan Amendment (SPA) requesting an exemption of the requirement to contract with a Recovery Audit Contractor (RAC).

**Summary**

The Division of Medical Services shall submit a SPA requesting a RAC exemption pursuant to guidance provided by CMS.

- SPA pages 36-1 Section 4 General Program Administration

**PUBLIC COMMENT:** No public hearing was held on this rule. The public comment period expired on January 10, 2026. The agency indicated that it received no public comments.

The proposed effective date is March 1, 2026.

**FINANCIAL IMPACT:** The agency indicated that this rule has no financial impact.

**LEGAL AUTHORIZATION:** The Department of Human Services has the responsibility to administer assigned forms of public assistance and is specifically authorized to maintain an indigent medical care program (Arkansas Medicaid). *See* Ark. Code Ann. §§ 20-76-201(1), 20-77-107(a)(1). The Department has the authority to make rules that are necessary or desirable to carry out its public assistance duties. Ark. Code Ann. § 20-76-201(12). The Department and its divisions also have the authority to promulgate rules as necessary to conform their programs to federal law and receive federal funding. Ark. Code Ann. § 25-10-129(b).



**Office of Policy and Rules**

P.O. Box 1437, Slot S295, Little Rock, AR 72203-1437

P: 501.320.6383 F: 501.404.4619

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December 11, 2025

Mrs. Rebecca Miller-Rice  
Administrative Rules Review Section  
Arkansas Legislative Council  
Bureau of Legislative Research  
#1 Capitol, 5<sup>th</sup> Floor  
Little Rock, AR 72201

Dear Mrs. Rebecca Miller-Rice:

**Re: Recovery Audit Contractor Exception Request**

Please arrange for this rule to be reviewed by the ALC-Administrative Rules Subcommittee. If you have any questions or need additional information, please contact me at 501-320-6383 or by emailing [Mac.E.Golden@dhs.arkansas.gov](mailto:Mac.E.Golden@dhs.arkansas.gov).

Sincerely,

*Mac Golden*

Mac Golden  
Attorney III  
Office of Policy and Rules

Attachments

**QUESTIONNAIRE FOR FILING PROPOSED RULES WITH  
THE ARKANSAS LEGISLATIVE COUNCIL**

DEPARTMENT \_\_\_\_\_  
BOARD/COMMISSION \_\_\_\_\_  
BOARD/COMMISSION DIRECTOR \_\_\_\_\_  
CONTACT PERSON \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
PHONE NO. \_\_\_\_\_ EMAIL \_\_\_\_\_  
NAME OF PRESENTER(S) AT SUBCOMMITTEE MEETING \_\_\_\_\_  
PRESENTER EMAIL(S) \_\_\_\_\_

**INSTRUCTIONS**

In order to file a proposed rule for legislative review and approval, please submit this Legislative Questionnaire and Financial Impact Statement, and attach (1) a summary of the rule, describing what the rule does, the rule changes being proposed, and the reason for those changes; (2) both a markup and clean copy of the rule; and (3) all documents required by the Questionnaire.

If the rule is being filed for permanent promulgation, please email these items to the attention of Rebecca Miller-Rice, [miller-ricer@blr.arkansas.gov](mailto:miller-ricer@blr.arkansas.gov), for submission to the Administrative Rules Subcommittee.

If the rule is being filed for emergency promulgation, please email these items to the attention of Director Marty Garrity, [garritym@blr.arkansas.gov](mailto:garritym@blr.arkansas.gov), for submission to the Executive Subcommittee.

Please answer each question completely using layman terms.

\*\*\*\*\*

1. What is the official title of this rule?  
\_\_\_\_\_
2. What is the subject of the proposed rule? \_\_\_\_\_
3. Is this rule being filed under the emergency provisions of the Arkansas Administrative Procedure Act? Yes      No

*If yes, please attach the statement required by Ark. Code Ann. § 25-15-204(c)(1).*

If yes, will this emergency rule be promulgated under the permanent provisions of the Arkansas Administrative Procedure Act? Yes      No

4. Is this rule being filed for permanent promulgation? Yes No

If yes, was this rule previously reviewed and approved under the emergency provisions of the Arkansas Administrative Procedure Act? Yes No

If yes, what was the effective date of the emergency rule? \_\_\_\_\_

On what date does the emergency rule expire? \_\_\_\_\_

5. Is this rule required to comply with a *federal* statute, rule, or regulation? Yes No

If yes, please provide the federal statute, rule, and/or regulation citation.

6. Is this rule required to comply with a *state* statute or rule? Yes No

If yes, please provide the state statute and/or rule citation.

7. Are two (2) rules being repealed in accord with Executive Order 23-02? Yes No

If yes, please list the rules being repealed.

If no, please explain.

8. Is this a new rule? Yes No

Does this repeal an existing rule? Yes No

If yes, the proposed repeal should be designated by strikethrough. If it is being replaced with a new rule, please attach both the proposed rule to be repealed and the replacement rule.

Is this an amendment to an existing rule? Yes No

If yes, all changes should be indicated by strikethrough and underline. In addition, please be sure to label the markup copy clearly as the markup.

9. What is the state law that grants the agency its rulemaking authority for the proposed rule, outside of the Arkansas Administrative Procedure Act? Please provide the specific Arkansas Code citation(s), including subsection(s).

10. Is the proposed rule the result of any recent legislation by the Arkansas General Assembly?  
Yes      No

If yes, please provide the year of the act(s) and act number(s).

11. What is the reason for this proposed rule? Why is it necessary?

12. Please provide the web address by which the proposed rule can be accessed by the public as provided in Ark. Code Ann. § 25-19-108(b)(1).

13. Will a public hearing be held on this proposed rule? Yes      No

If yes, please complete the following:

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_

*Please be sure to advise Bureau Staff if this information changes for any reason.*

14. On what date does the public comment period expire for the permanent promulgation of the rule? Please provide the specific date. \_\_\_\_\_

15. What is the proposed effective date for this rule? \_\_\_\_\_

16. Please attach (1) a copy of the notice required under Ark. Code Ann. § 25-15-204(a)(1) and (2) proof of the publication of that notice.

17. Please attach proof of filing the rule with the Secretary of State, as required by Ark. Code Ann. § 25-15-204(e)(1)(A).

18. Please give the names of persons, groups, or organizations that you anticipate will comment on these rules. Please also provide their position (for or against), if known.

19. Is the rule expected to be controversial? Yes      No

If yes, please explain.

## NOTICE OF RULEMAKING

The Department of Human Services announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§ 25-10-129, 20-76-201, and 20-77-107. The proposed effective date of the rule is March 1, 2026.

The Director of the Division of Medical Services (DMS) amends the Arkansas Medicaid State Plan upon request of the Centers for Medicare and Medicaid Services (CMS). The amendment requests an exemption of the requirement to contract with a Recovery Audit Contractor (RAC). There is no fiscal impact.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Policy and Rules, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at [ar.gov/dhs-proposed-rules](https://ar.gov/dhs-proposed-rules). Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than December 10, 2026. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you need this material in a different format, such as large print, contact the Office of Policy and Rules at 501-320-6428. The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed, and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color, or national origin. 4502292178

Elizabeth Pitman, Director  
Division of Medical Services

**From:** [Legal Ads](#)  
**To:** [Jack Tiner](#)  
**Cc:** [Mac Golden](#); [Lakeya Gipson](#); [Elaine Stafford](#)  
**Subject:** Re: Full Run AD (R300)-RAC  
**Date:** Wednesday, December 10, 2025 9:18:01 AM  
**Attachments:** [image001.png](#)

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[EXTERNAL SENDER]

Thanks again, Jack. Also scheduled for Fri 12/12, Sat 12/13, and Sun 12/14.

Gregg Sterne, Legal Advertising  
Arkansas Democrat-Gazette  
[legalads@arkansasonline.com](mailto:legalads@arkansasonline.com)

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**From:** "Jack Tiner" <[jack.tiner@dhs.arkansas.gov](mailto:jack.tiner@dhs.arkansas.gov)>  
**To:** "Legal Ads" <[legalads@arkansasonline.com](mailto:legalads@arkansasonline.com)>  
**Cc:** "Mac Golden" <[Mac.E.Golden@dhs.arkansas.gov](mailto:Mac.E.Golden@dhs.arkansas.gov)>, "Lakeya Gipson" <[Lakeya.Gipson@dhs.arkansas.gov](mailto:Lakeya.Gipson@dhs.arkansas.gov)>, "Elaine Stafford" <[elaine.stafford@dhs.arkansas.gov](mailto:elaine.stafford@dhs.arkansas.gov)>, "Jack Tiner" <[jack.tiner@dhs.arkansas.gov](mailto:jack.tiner@dhs.arkansas.gov)>  
**Sent:** Tuesday, December 9, 2025 1:22:33 PM  
**Subject:** RE: Full Run AD (R300)-RAC

Gregg,

Like the one I just sent, I messed up on one of the dates on the notice as well. Please use the attached for publication. Everything else below is the same.

I'm sorry for the confusion. Thanks.



**Jack Tiner**

Rules & Regulations Coordinator  
Arkansas Department of Human Services  
Office of Policy and Rules

P: 501.251.6535

[Jack.Tiner@dhs.arkansas.gov](mailto:Jack.Tiner@dhs.arkansas.gov)



[humanservices.arkansas.gov](http://humanservices.arkansas.gov)

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**From:** Jack Tiner  
**Sent:** Tuesday, December 9, 2025 10:51 AM  
**To:** Legal Ads <legalads@arkansasonline.com>  
**Cc:** Mac Golden <Mac.E.Golden@dhs.arkansas.gov>; Lisa Teague <Lisa.Teague@dhs.arkansas.gov>; Lakeya Gipson <Lakeya.Gipson@dhs.arkansas.gov>; Elaine Stafford <elaine.stafford@dhs.arkansas.gov>; Jack Tiner <jack.tiner@dhs.arkansas.gov>  
**Subject:** Full Run AD (R300)-RAC

Please REPLY ALL to this email.

Please run the attached public notice in the *Arkansas Democrat-Gazette* on:

- **Friday 12/12/25**
- **Saturday 12/13/25**
- **Sunday 12/14/25.**

I am aware that the print version will only be provided to all counties on Sundays.

Invoice to: **AR Dept of Human Services**  
**OPR, ATTN: Lakeya Gipson**  
**P.O. Box 1437, Slot S295**  
**Little Rock, AR 72203-8068**

**([Lakeya.Gipson@dhs.arkansas.gov](mailto:Lakeya.Gipson@dhs.arkansas.gov))**

I look forward to your confirmation.

Thank you.



**Jack Tiner**

Rules & Regulations Coordinator  
Arkansas Department of Human Services  
Office of Policy and Rules

P: 501.251.6535

[Jack.Tiner@dhs.arkansas.gov](mailto:Jack.Tiner@dhs.arkansas.gov)

[humanservices.arkansas.gov](http://humanservices.arkansas.gov)

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**From:** [Mia Mosley](#)  
**To:** [Jack Tiner](#); [Arkansas Register](#)  
**Cc:** [Mac Golden](#); [JAMIE EWING](#); [Lakeya Gipson](#)  
**Subject:** RE: DHS/DMS--Proposed Filing--Recovery Audit Contractor Exception (R300)  
**Date:** Wednesday, December 10, 2025 4:13:01 PM  
**Attachments:** [image002.png](#)  
[016.29.25-006P.pdf](#)

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[EXTERNAL SENDER]

The attachment has a received stamp indicating that we have received the rule that was sent to us. It is now uploaded on our website.

Best regards,

*Mia' Mosley*  
*Arkansas Secretary of State*  
*Elections Library Representative*

**From:** Jack Tiner <jack.tiner@dhs.arkansas.gov>  
**Sent:** Wednesday, December 10, 2025 3:51 PM  
**To:** Arkansas Register <ArkansasRegister@sos.arkansas.gov>  
**Cc:** Mac Golden <Mac.E.Golden@dhs.arkansas.gov>; JAMIE EWING <JAMIE.EWING@dhs.arkansas.gov>; Lakeya Gipson <Lakeya.Gipson@dhs.arkansas.gov>; Jack Tiner <jack.tiner@dhs.arkansas.gov>  
**Subject:** DHS/DMS--Proposed Filing--Recovery Audit Contractor Exception (R300)

## External Message

Please find attached the proposed filing packet for rule titled: *-Recovery Audit Contractor Exception*

Please let me know if you have any questions.

Thank you.



**Jack Tiner**  
Rules & Regulations Coordinator

Arkansas Department of Human Services  
Office of Policy and Rules

P: 501.251.6535

[Jack.Tiner@dhs.arkansas.gov](mailto:Jack.Tiner@dhs.arkansas.gov)

[humanservices.arkansas.gov](http://humanservices.arkansas.gov)

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**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY.**

**DEPARTMENT** \_\_\_\_\_  
**BOARD/COMMISSION** \_\_\_\_\_  
**PERSON COMPLETING THIS STATEMENT** \_\_\_\_\_  
**TELEPHONE NO.** \_\_\_\_\_ **EMAIL** \_\_\_\_\_

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

**TITLE OF THIS RULE** \_\_\_\_\_

1. Does this proposed, amended, or repealed rule have a financial impact?  
Yes                      No
  
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?  
Yes                      No
  
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes                      No

If no, please explain:

(a) how the additional benefits of the more costly rule justify its additional cost;

(b) the reason for adoption of the more costly rule;

(c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.

4. If the purpose of this rule is to implement a *federal* rule or regulation, please state the following:  
(a) What is the cost to implement the federal rule or regulation?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

**Next Fiscal Year**

General Revenue \_\_\_\_\_  
 Federal Funds \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_

Total \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain how they are affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

6. What is the total estimated cost by fiscal year to a state, county, or municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

\$ \_\_\_\_\_

**Next Fiscal Year**

\$ \_\_\_\_\_

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes      No

If yes, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

## **Statement of Necessity and Rule Summary Recovery Audit Contractor Exemption SPA**

### **Statement of Necessity**

The Centers for Medicare and Medicaid Services (CMS) requested that the Arkansas Department of Human Services submit a State Plan Amendment (SPA) requesting an exemption of the requirement to contract with a Recovery Audit Contractor (RAC).

### **Summary**

The Division of Medical Services shall submit a SPA requesting a RAC exemption pursuant to guidance provided by CMS.

- SPA pages 36-1 Section 4 General Program Administration



## SECTION 4 – GENERAL PROGRAM ADMINISTRATION

## 4.5 Medicaid Recovery Audit Contractor Program

Citation

Section 1902(a)(42)(B)(i) of  
the Social Security Act

~~X~~

The State established a program under which it contracts with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.

X

The state is seeking an exception to establishing such program for the following reasons:

Section 1902(a)(42)(B)(ii)(I)  
of the Act

- The majority of Medicaid covered working-aged adults in Arkansas are covered through ARHOME, which is a private option plan for the expansion population, and a small portion of Arkansans are covered in its PASSE managed care program for specialized populations. Combined with the existing program integrity operation discussed next, a RAC program is not likely to be financially feasible in the state.
- Arkansas has a robust and effective program integrity operation; therefore, a RAC is not necessary. Arkansas has numerous program integrity measures in place to combat fraud, waste, and abuse in our state's Medicaid program, including:
  - The Office of Medicaid Inspector General (OMIG) housed within the Arkansas Department of Inspector General, independent of the state Medicaid agency, serves as the state's Medicaid program integrity unit performing the following functions:
    - Prevention, detection, and investigation of fraud, waste, and abuse (FWA) within the Arkansas Medicaid program
    - Audits of Medicaid providers
    - Referral of appropriate cases for criminal prosecution
    - Recovery of improperly expended Medicaid funds;
  - OMIG uses advanced program integrity data analytics proven effective in identifying FWA;
  - Federal Unified Program Integrity Contractor;
  - The state Medicaid agency housed within the Department of Human Services (DHS) requires pre and post payment review for 1667

individual Medicaid claims and prior authorization for 7154 individual procedure codes;

- o DHS contracts with multiple vendors to perform retrospective review of clinical, hospital, and specialty population claims;
- o The DHS Office of Payment Integrity reviews Medicaid claims and program policy to identify program policy improvements that will reduce the occurrence of FWA.

~~X~~

The State/Medicaid agency contracts the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.

Place a check mark to provide assurance of the following:

Section 1902(a)(42)(B)(ii)(I)  
of the Act

— The State will make payments to the RAC(s) only from amounts recovered.

— The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

~~The State is seeking an exception to the contingency fee methodology described in Section 1902(a)(42)(B)(ii)(I) of the Act. (See attached Arkansas legislation.)~~

Section 1902  
(a)(42)(B)(ii)(II)(aa)  
of the Act

— The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (percentage has not been determined):

— The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.

— The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.

— The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.

~~The State will develop a Request for Proposal in order to secure a recovery audit contractor through the procurement process. The RFP will include a fixed fee reimbursement~~

~~methodology rather than the contingency fee methodology.~~

MARKUP

**SECTION 4 – GENERAL PROGRAM ADMINISTRATION****4.5 Medicaid Recovery Audit Contractor Program**Citation

Section  
1902(a)(42)(B)(i) of  
the Social Security Act

— The State established a program under which it contracts with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.

X

The state is seeking an exception to establishing such program for the following reasons:

Section  
1902(a)(42)(B)(ii)(I) of  
the Act

- The majority of Medicaid covered working-aged adults in Arkansas are covered through ARHOME, which is a private option plan for the expansion population, and a small portion of Arkansans are covered in its PASSE managed care program for specialized populations. Combined with the existing program integrity operation discussed next, a RAC program is not likely to be financially feasible in the state.
- Arkansas has a robust and effective program integrity operation; therefore, a RAC is not necessary. Arkansas has numerous program integrity measures in place to combat fraud, waste, and abuse in our state's Medicaid program, including:
  - The Office of Medicaid Inspector General (OMIG) housed within the Arkansas Department of Inspector General, independent of the state Medicaid agency, serves as the state's Medicaid program integrity unit performing the following functions:
    - Prevention, detection, and investigation of fraud, waste, and abuse (FWA) within the Arkansas Medicaid program
    - Audits of Medicaid providers
    - Referral of appropriate cases for criminal prosecution
    - Recovery of improperly expended Medicaid funds;
  - OMIG uses advanced program integrity data analytics proven effective in identifying FWA;
  - Federal Unified Program Integrity Contractor;
  - The state Medicaid agency housed within the Department of Human Services (DHS) requires pre and post payment review for 1667 individual Medicaid claims and prior authorization for 7154 individual procedure codes;
  - DHS contracts with multiple vendors to perform retrospective review of clinical, hospital, and specialty population claims;
  - The DHS Office of Payment Integrity reviews Medicaid claims and program policy to identify program policy improvements that will reduce the occurrence of FWA.

Revision: February 1, 2025

State Arkansas**SECTION 4 – GENERAL PROGRAM ADMINISTRATION****4.5 Medicaid Recovery Audit Contractor Program (continued)**Citation

Section  
1902(a)(42)(B)(i) of  
the Social Security Act

— The State/Medicaid agency contracts the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.

Place a check mark to provide assurance of the following:

Section  
1902(a)(42)(B)(ii)(I) of  
the Act

— The State will make payments to the RAC(s) only from amounts recovered.

— The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

Section 1902  
(a)(42)(B)(ii)(II)(aa)  
of the Act

The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (percentage has not been determined):

— The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.

— The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.

— The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.