



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 21 No. 16

July 2011

TO: All Medicaid Providers - For Action
Managed Care Organizations – For Action

SUBJECT: Recovery Audit Contractor – RAC

EFFECTIVE: July 1, 2011

PURPOSE: To advise providers of the HMS designation as the New Jersey Medicaid Recovery Audit Contractor (RAC).

BACKGROUND: HMS has been awarded the interim State contract for providing RAC services pursuant to CMS requirements and the New Jersey State Plans for Title XIX and XXI Services. The Medicaid Fraud Division (MFD) approves audit projects in conjunction with the Division of Medical Assistance and Health Services (DMAHS) and works with HMS to select the providers to be audited. The HMS RAC contract allows for a look back period of three (3) years.

ACTION: Effective July 1, 2011, HMS will assume responsibility for providing RAC services. HMS shall approach the auditing of State provider services in two ways: automated and complex reviews. The Automated Reviews are audit algorithms that have gone through state specific billing and reimbursement analysis and appear to meet the qualifications of overpayment recovery actions without requiring medical record documentation review. The Complex Reviews are audit algorithms that have gone through state specific billing and reimbursement analysis that appear to require medical documentation review conducted by qualified Registered Nurse reviewers and Certified Coding Specialists and physician peer review as required. Providers disagreeing with HMS' findings will have an opportunity to appeal. Detailed appeal instructions will be communicated to the providers in the audit result letters.

Any questions regarding the New Jersey RAC program should be directed to HMS at <http://www.medicare-rac.com/contact-hms>.

To report Medicaid Fraud and Abuse, call toll free the MFD at 1-888-937-2835 or visit the MFD's website at <http://www.state.nj.us/comptroller/divisions/medicaid/>

Further information regarding HMS RAC activities is available on the HMS RAC website at NJRAC@HMS.com

Any questions regarding this Newsletter should be directed to Molina Medicaid Solutions (formerly Unisys) Provider Services at 1-800- 776-6334.

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