

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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MEDICAID BULLETIN

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TO: All Providers

SUBJECT: South Carolina Recovery Audit Contractor

The South Carolina Department of Health and Human Services (SCDHHS) is pleased to announce that Health Management Systems, Inc., (HMS) has been awarded a contract to act as the agency's Recovery Audit Contractor. Federal regulations (42 CFR 455.500 et. Seq.) require States to establish a recovery audit contract (RAC) program as a measure to promote the integrity of the Medicaid program. HMS previously was the SCDHHS recovery audit contractor and will continue in this role under the new procurement. HMS was founded in 1974 and is a national corporation specializing in healthcare cost containment and program integrity.

The purpose of the RAC is to assist States in identifying and recovering overpayments made to Medicaid providers, as well as identifying any underpayments. Overpayments can be the result of provider billing or coding errors, failure to properly coordinate benefits, over-use of services, and even fraud or abuse. HMS will review Medicaid claims submitted by providers and may request medical records as needed to substantiate the claims. Providers are required to repay any overpayment identified; for any underpayments identified, SCDHHS will credit the providers' Medicaid account. Any SC Medicaid provider reviewed under the RAC program will receive a written notification of the results of the review and a chance to request a reconsideration if overpayments are identified. All written correspondence from HMS about a provider review will have a toll-free number that providers can use should they have questions about the review.

Providers also have full appeal rights, as provided by the South Carolina Code of Regulations 126-404 Subarticle 3, regarding any overpayments identified by HMS.

If you have any questions regarding the Recovery Audit Contractor program please contact Betty Jane Church, Director, Division of Program Integrity at (803) 898-2678. Thank you for your continued support of the Medicaid program.

/s/
Anthony E. Keck
Director