

ALABAMA MEDICAID AGENCY
PROGRAM INTEGRITY DIVISION

Medicaid RAC Audit Process

I. Audit Initiation Sources

- Provider Selection/Referral
- Algorithm Exceptions
- Follow-up Review from a Previous Audit
- Ad Hoc Reports
- Referrals from Medicaid Programs, Other Agencies, and Individuals
- Complaints

II. Types of Post-Payment Audits

The Medicaid RAC conducts:

- Complex Audits
- Automated Audits

III. Complex Audit Process

- Request records/documentation from provider
- Review records/documentation submitted by provider

A. Draft Audit Phase

- Draft Audit Letter sent to provider
 - Provider may submit additional documentation
 - Informal Conference available if provider disagrees

B. Final Audit Phase

- Final Audit Letter sent to provider
 - Recoupment amount requested with instructions
 - Fair Hearing request instructions (if provider disagrees)
 - Corrective Action Plan (CAP) required from provider
 - Provider education referral

IV. Automated Audit Process

- No medical records/documentation required from provider
- Automated Audit Letter sent to provider

A. Post-Audit Actions

- Recoupment amount requested with instructions
- Informal Conference (upon provider request)

B. If Informal Conference Occurs

- Revised Automated Audit Letter sent to provider

C. Appeal and Compliance

- Fair Hearing request instructions (if provider disagrees with Automated or Revised Automated Audit)
- Corrective Action Plan (CAP) required from provider
- Provider education referral