



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES


Med-QUEST Division  
Finance Office  
P.O. Box 700190  
Kapolei, Hawaii 96709-0190

August 21, 2013

MEMORANDUM

MEMO NO.  
ACS M13-08

TO: Medicaid Fee-For-Service (FFS) Providers

FROM:  Kenneth S. Fink, MD, MGA, MPH  
Med-QUEST Division Administrator

SUBJECT: RECOVERY AUDIT CONTRACTOR (RAC) SERVICES

The State of Hawaii Med-QUEST Division (MQD) is pleased to announce that it has selected Myers and Stauffer LC (Myers and Stauffer) to provide Recovery Audit Contractor (RAC) services. Myers and Stauffer is a national accounting, auditing and healthcare consulting firm that has provided Medicaid auditing and consulting assistance to the Hawaii Med-QUEST Division since 2000. Their core responsibility as Hawaii's Medicaid RAC is to perform audit reviews of claims submitted to the Hawaii Medicaid program by enrolled health care providers to determine if the claims were potentially overpaid or underpaid.

These audits will be conducted pursuant to the requirements outlined in the 2010 Patient Protection and Affordable Care Act (PPACA), Medicaid RAC final rule 42 CFR 455, and in coordination with the MQD. The Medicaid RAC final rule includes a number of provisions that respond to key industry concerns, including these highlighted requirements applicable to Medicaid RACs and medical record requests:

- Are limited to a three-year look-back period.
- Must coordinate their RAC efforts with other audit contractors and programs.
- Are prohibited from auditing claims that other state agencies or contractors have already audited for the same issue.
- States are required to set limits on medical record requests. The agreed upon limitation for a medical records request by the Hawaii RAC is the lessor of (1) one percent of the total number of claims submitted by a provider during the previous calendar year; or (2) 350 medical records every 60 days; however, such number shall in no event be less than 100 records.

Memo No. ACS M13-08

August 21, 2013

Page 2

In addition to the provisions shown above, Medicaid RACs are also required to work with the State to provide education and an outreach program. As such, the following website has been created specifically for RAC outreach: <http://HawaiiMedicaidRAC.mslc.com>. The website provides information to assist providers with understanding the RAC program, including a list of RAC frequently asked questions and answers, which will continually be updated as needed.

Providers may also direct their questions to Myers and Stauffer by e-mail to [HI\\_RAC@mslc.com](mailto:HI_RAC@mslc.com) or by calling toll-free at 1-855-839-9262 (Monday through Friday, 8:00 a.m. – 4:30 p.m. HST).

In the coming months, the MQD and Myers and Stauffer will be continuing their outreach program by providing a recorded informational webinar. As details of the webinar become available, they will be posted on the Hawaii Medicaid RAC website.

If you have any questions, please feel free to contact Shelley Siegman at (808) 692-8095.

c: QUEST Health Plans (Memo No. ADM-1311)  
QExA Health Plans (Memo No. ADMX-1311)