§ 431.830 Basic elements of the Medicaid quality control (MQC) claims processing assessment system.

An agency must—
(a) Operate the MQC claims processing assessment system in accordance with the policies, sampling methodology, review procedures, reporting forms, requirements, and other instructions established by CMS.
(b) Identify deficiencies in the claims processing operations.
(c) Measure cost of deficiencies;
(d) Provide data to determine appropriate corrective action;
(e) Provide an assessment of the State’s claims processing or that of its fiscal agent;
(f) Provide for a claim-by-claim review where justifiable by data; and
(g) Produce an audit trail that can be reviewed by CMS or an outside auditor.

§ 431.832 Reporting requirements for claims processing assessment systems.

(a) The agency must submit reports and data specified in paragraph (b) of this section to CMS, in the form and at the time specified by CMS.
(b) Except when CMS authorizes less stringent reporting, States must submit:
(1) A monthly report on claims processing reviews sampled and or claims processing reviews completed during the month;
(2) A summary report on findings for all reviews in the 6-month sample to be submitted by the end of the 3rd month following the scheduled completion of reviews for that 6 month period; and
(3) Other data and reports as required by CMS.

§ 431.834 Access to records: Claims processing assessment systems.

The agency, upon written request, must provide HHS staff with access to all records pertaining to its MQC claims processing assessment system reviews to which the State has access, including information available under part 435, subpart J, of this chapter.

§ 431.836 Corrective action under the MQC claims processing assessment system.

The agency must—
(a) Take action to correct those errors identified through the claims processing assessment system review and, if cost effective, to recover those funds erroneously spent;
(b) Take administrative action to prevent and reduce the incidence of those errors; and
(c) By August 31 of each year, submit to CMS a report of its error analysis and a corrective action plan on the reviews conducted since the cut-off-date of the previous corrective action plan.

Federal Financial Participation

§§ 431.861–431.864 [Reserved]


(a) Purpose and applicability—
(1) Purpose. This section establishes rules and procedures for disallowing Federal financial participation (FFP) in erroneous medical assistance payments due to eligibility and beneficiary liability errors, as detected through the Medicaid eligibility quality control (MEQC) program required under § 431.806 in effect on and after July 1, 1990.
(2) Applicability. This section applies to all States except Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, and American Samoa beginning July 1, 1990.
(b) Definitions. For purposes of this section—
Administrator means the Administrator, Centers for Medicare & Medicaid Services or his or her designee.
Annual assessment period means the 12-month period October 1 through September 30 and includes two 6-month sample periods (October-March and April-September).
Beneficiary liability means—
(1) The amount of excess income that must be offset with incurred medical expenses to gain eligibility; or