

~~SUBSECTION (A) OF THIS SECTION, EACH NURSING HOME THAT RECEIVES PAYMENT FROM THE MEDICAL ASSISTANCE PROGRAM.~~

~~(C) THE DEPARTMENT MAY CONDUCT A THIRD PARTY LIABILITY AUDIT OF A RANDOM SAMPLE OF THE REPORTS OF CREDIT BALANCES REVIEWED UNDER SUBSECTION (B) OF THIS SECTION.~~

~~(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT MAY CONDUCT A THIRD PARTY LIABILITY AUDIT OF A NURSING HOME THAT IS FOUND TO BE NONCOMPLIANT AS A RESULT OF THE AUDIT CONDUCTED UNDER SUBSECTION (C) OF THIS SECTION.~~

~~(2) IN CONDUCTING THE THIRD PARTY LIABILITY AUDIT AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT MAY ONLY REVIEW THE FINANCIAL INFORMATION OF THE NURSING HOME FOR THE 2-YEAR PERIOD IMMEDIATELY PRIOR TO THE DATE OF THE AUDIT PERIOD IN WHICH THE NURSING HOME WAS FOUND TO BE NONCOMPLIANT.~~

~~(B) A THIRD PARTY LIABILITY AUDIT SHALL BE CONDUCTED AT LEAST ONCE EVERY 2 YEARS.~~

~~(C) THE DEPARTMENT MAY CONTRACT WITH AN ENTITY TO PERFORM THIRD PARTY LIABILITY AUDITS.~~

~~(D) IN CONTRACTING WITH AN ENTITY TO PERFORM THIRD PARTY LIABILITY AUDITS, THE DEPARTMENT SHALL USE STANDARD PROCUREMENT PROCEDURES.~~

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~~(A) A CONTRACT FOR THE PERFORMANCE OF A THIRD PARTY LIABILITY AUDIT SHALL INCLUDE:~~

~~(1) A BUDGET TO COVER THE ADMINISTRATIVE EXPENSES OF THE CONTRACTOR;~~

~~(2) AN ESTIMATE OF THE AMOUNT OF GENERAL FUNDS THE DEPARTMENT ANTICIPATES WILL BE RECOVERED THROUGH THE AUDIT; AND~~

~~(3) A PENALTY TO THE VENDOR IF THE ERROR RATE EXCEEDS 20% AT THE CONCLUSION OF THE CONTRACT PERIOD.~~

~~(B) A THIRD PARTY LIABILITY CONTRACTOR MAY NOT BE COMPENSATED SOLELY:~~

~~(1) ON A CONTINGENCY BASIS; OR~~

~~(2) BY A PERCENTAGE OF THE FUNDS RECOVERED THROUGH THE AUDIT.~~

~~(C) EACH CONTRACTOR SHALL COMPLETE AUDIT STATUS REPORTS FOR EACH AUDIT UNDERTAKEN BY THE CONTRACTOR.~~

~~(D) EACH AUDIT STATUS REPORT SHALL:~~