

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.~~

~~19-14A-03.~~

~~(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:~~

~~(1) BE SUBMITTED TO THE DEPARTMENT ON A QUARTERLY BASIS; AND~~

~~(2) AT A MINIMUM INCLUDE:~~

~~(I) THE NUMBERS OF REPORTS ISSUED; AND~~

~~(II) THE DOLLAR AMOUNTS OF BOTH INITIAL AND FINAL REPORTS.~~