

## 42 C.F.R. § 1007.3

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### Statutory basis and organization of rule.

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(a) *Statutory basis.* This part codifies sections 1903(a)(6) and 1903(b)(3) of the Social Security Act (the Act), which establish the amounts and conditions of Federal matching payments for expenditures incurred in establishing and operating a State MFCU. This part also implements section 1903(q) of the Act, which establishes the basic requirements and standards that Units must meet to demonstrate that they are effectively carrying out the functions of the Unit in order to be certified by OIG as eligible for FFP under Title XIX of the Act. Section 1902(a)(61) of the Act requires a State to provide in its Medicaid State plan that it operates a Unit that effectively carries out the functions and requirements described in this part, as determined in accordance with standards established by OIG, unless the State demonstrates that a Unit would not be cost effective because of minimal Medicaid fraud in the covered services under the plan and that beneficiaries under the plan will be protected from abuse and neglect in connection with the provision of medical assistance under the plan without the existence of such a Unit. CMS retains the authority to determine a State's compliance with Medicaid State plan requirements in accordance with section 1902(a) of the Act.

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