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State/Territory Name: Arkansas

State Plan Amendment (SPA) #: 12-15

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services Dallas Regional Office 1301 Young Street, Suite 833 Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

December 12, 2012

Our Reference:

SPA-AR-12-15

Dr. Andrew Allison State Medicaid Director Arkansas Department of Health and Human Services P.O. Box 1437 Little Rock, Arkansas 72203

Dr. Andrew Allison:

We have reviewed the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 12-15. Effective January 1, 2013, this State plan amendment allows the state to seek a second extension to implement its recovery audit program.

Transmittal Number 12-15 is approved with an effective date of January 1, 2013, as requested. A copy of the HCFA-179, Transmittal No. 12-15 dated October 4, 2012 is enclosed along with the approved plan pages.

If you have any questions, please contact Stacey Shuman at (214) 767-6479.

Sincerely,

Bill Brooks

Associate Regional Administrator Division of Medicaid and Children's Health

Enclosure

TEALTH CARE FINANCING ADMINISTRATION	T 1 TD 4 NO CHEET 4 1 NO CDED	UMB NO. 0938-0193		
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE		
STATE PLAN MATERIAL				
······································	2012-015	ARKANSAS		
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TIT	LE XIX OF THE		
FOR: HEALTH CARE FINANCING ADMINISTRATION	SOCIAL SECURITY ACT (MEDICA	AID)		
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE			
HEALTH CARE FINANCING ADMINISTRATION				
DEPARTMENT OF HEALTH AND HUMAN SERVICES	January 1, 2013			
5. TYPE OF PLAN MATERIAL (Check One):				
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT				
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME		*		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	именитені)		
6. FEDERAL STATUTE/REGULATION CITATION:				
40 OTD 455 (C (414	a. FFY 2012 The Department has	s no way to determine		
42 CFR 455 (Section 6411 and PPACA) PL 111-148		ssociated with this SPA.		
		ny recouped amount.		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSI	EDED PLAN SECTION		
	OR ATTACHMENT (If Applicable):			
Section 4, Pages 36-1 and 36-2	Same, Approved 05-30-12, TN 12-007			
10 CURTIFICATION OF ALCENTAL CONTRA	<u> </u>			
10. SUBJECT OF AMENDMENT:				
The Arkansas Title XIX State Plan has been amended to add recovery au-	dit contractors to the Medicaid Program.			
11. GOVERNOR'S REVIEW (Check One):				
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	☐ OTHER, AS SPEC	IEIED.		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	_ OTHER, AS SI EC	ir icb.		
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL				
☐ NO REPLY RECEIVED WITHIN 43 DATS OF SUBMITTAL				
12 CICNIATIDE OF CTATE ACENICY OFFICIAL.	16. RETURN TO:			
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:			
	D			
	Division of Medical Services			
13. TYPED NAME:	PO Box 1437, Slot S295			
	Little Rock, AR 72203-1437			
Andrew Allison, PhD				
14. TITLE:	Attention: LeAnn Edwards			
Director, Division of Medical Services				
15. DATE SUBMITTED:				
October 4, 2012				
FOR REGIONAL OF				
17. DATE RECEIVED:	18. DATE APPROVED:			
4 October, 2012	12 December	r, 2012		
PLAN APPROVED – ON	E COPY AT			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNA	TCIAL:		
1 January, 2013				
21. TYPED NAME:	22. TITLE: Associate Regional Admini	istrator		
Bill Brooks	Division of Medicaid & Children's Heal			
23, REMARKS:	Division of Madicala & Children 5 1100			
23. READ HOLD.				
		×		

Revision: January 1, 2013

State Arkansas

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

Citation

Section 1902(a)(42)(B)(i) of the Social Security Act

- X The State is in the process of establishing a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.
- X The State is seeking an exception to establishing such program for the following reasons:

Arkansas is currently in the RFP stage of the procurement process, it expects to have a contract in place no later than October 1, 2012.

Section 1902(a)(42)(B)(ii)(I) of the Act

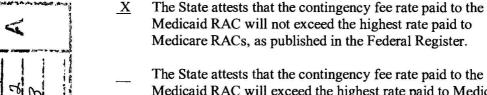
X The State/Medicaid agency will contract of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.

Place a check mark to provide assurance of the following:

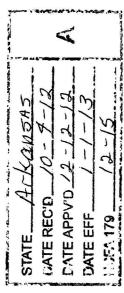
- X The State will make payments to the RAC(s) only from amounts recovered.
- X The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act

The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (percentage has not been determined):



- The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.
- The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.



SUPERSEDES: TN: 12-07

Revision: January 1, 2013

State Arkansas

SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program (continued)

Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	_	The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee):
Section 1902 (a)(42)(B)(ii)(III) of the Act	<u>X</u>	The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	<u>X</u>	The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.
Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act	X	The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.
Section1902 (a)(42)(B)(ii)(IV)(cc) of the Act	<u>X</u>	Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.

STATE Ackan 5A 5 GATE REC'D 10 - + -12 CATE APPV'D 12 - 12 - 12 DATE EFF 1 - 1 - 13 110FA 179 12 - 15	Α
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