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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-14-033

This file contains the following documents in the order listed:

1) Approval Letter

2) CMS 179 Form/Summary Form (with 179-like data)

3) Approved SPA Pages

TN: CO-14-033 **Approval Date:** 01/22/2015 **Effective Date** 07/01/2014

DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services 1600 Broadway, Suite 700 Denver, CO 80202-4967



Region VIII

January 22, 2015

Susan E. Birch, MBA, BSN, RN, Executive Director Department of Health Care Policy & Financing 1570 Grant Street Denver, CO 80203-1818

RE: Colorado #14-033

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 14-033. This amendment requests an extension to the Medicaid Recovery Audit Contract from 7/1/14 to 12/31/15 to cover the lapse until a RAC is re-procured and a formal contract has been executed. During this time, the State will consult with CMS and seek other interim solutions of conducting post-payment compliance reviews and audits on Medicaid providers.

Please be informed that this State Plan Amendment was approved today with an effective date of July 1, 2014. We are enclosing the CMS-179 and the amended plan page(s).

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,

/s/

Richard C. Allen Associate Regional Administrator Division for Medicaid & Children's Health Operations

cc: Gretchen Hammer John Bartholomew
Tess Ellis Barb Prehmus
Pat Connally Frank Herbst

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE & MEDICAID SERVICES		FORM APPROVED OMB NO. 0938-0193		
CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER:	2. STATE:		
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	_1_40_ 3_ 3_	COLORADO		
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)			
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2014			
5. TYPE OF PLAN MATERIAL (Check One):				
NEW STATE PLAN AMENDMENT TO BE CONSID	ERED AS A NEW PLAN	X AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME	NDMENT (Separate transmittal for eac	ch amendment)		
6. FEDERAL STATUTE/REGULATION CITATION Section 1902(a)(42)(B)(i) of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY_2014 Approximate \$_0 b. FFY_2014 \$_0			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 4.5	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Section 4.5, 13-009			
10. SUBJECT OF AMENDMENT Medicaid Recovery Audit Contract Exemption				
11. GOVERNOR'S REVIEW (Check One)				
GOVERNOR'S OFFICE REPORTED NO COMMENT	X OTHER, AS SPECIFIED			
	Governor's letter dated 0	1 September 2011		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTA	AL			
12. SIGNATURE OF STATE AGENCY OFFICIAL	16, RETURN TO			
13.	Colorado Department of Health C	are Policy and Financing		
John Bartholomew	1570 Grant Street Denver, CO 80203-1818	are roney and rindholling		
14. TITLE	Attn: Barbara Prehmus			
Deputy Executive Director				
15. DATE SUBMITTED	7			
June 30, 2014				

FOR REGIONAL OFFICE USE ONLY 18. DATE APPROVED 17. DATE RECEIVED 6/30/14 1/22/15 PLAN APPROVED - ONE COPY ATTACHED 20. SIGNATURE OF REGIONAL OFFICIAL 19. EFFECTIVE DATE OF APPROVED MATERIAL /s/ 7/1/14 22. TITLE 21. TYPED NAME ARA, DMCHO Richard C. Allen 23. REMARKS

Revision:				
State	_Colorado	 		

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

<u>Citation</u>	
Section 1902(a)(42)(B)(i) of the Social Security Act	The State has established 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:
	The State is seeking an extension to an existing exception from Medicaid recovery audit contract requirements. The original extension was to allow the State to pursue a formal, competitive re-procurement of a new contract for recovery audit services that would be in line with Section 1902(a)(42) of the Social Security Act. However, the State did not receive any bids when it asked for solicitations in early 2014. The State requests an exemption from July 1, 2014 through June 30, 2016 to cover the lapse until a RAC is re-procured and a formal contract has been executed. During this time, the State will consult with CMS and seek other interim solutions of conducting post-payment compliance reviews and audits on Medicaid providers.
	The State/Medicaid agency has contracts 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:
Section 1902(a)(42)(B)(ii)(I) of the Act	The State will make payments to the RAC(s) only from amounts recovered.
	The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.
No14-033 Supersedes No13-009	Approval Date: 01/22/15 Effective Date: _7/1/2014

	The following payment methodology shall be used to determine State payments to Medicaid RACs for recovered overpayments (e.g., the percentage of the contingency fee):
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	The State attests that if 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 following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:
	The State will submit a justification seeking to pay the Medicaid RAC(s) a contingency fee higher than the highest contingency fee rate paid to Medicare RACs as published in the Federal Register.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	
	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)(III) of the Act	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)(aa) of the Act	The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.

No. __14-033_____ Supersedes No. _13-009_____

Approval Date: ___01/22/15 Effective Date: _7/1/2014_____

Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act	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.
Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act	

No. __14-033_____ Supersedes No. _13-009_____

Approval Date: 01/22/15 Effective Date: _7/1/2014_____