

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

March 21, 2011

Michael P. Starkowski, Commissioner
Department of Social Services
25 Sigourney Street
Hartford, Connecticut 06106

Dear Mr. Starkowski:

We are pleased to enclose a copy of approved Connecticut State Plan Amendment (SPA) No. 10-025, submitted to my office on December 30, 2010. This SPA transmitted a proposed revision to Connecticut's approved Title XIX State Plan in order to establish a program to contract with a Recovery Audit Contractor as required by Section 6411 of the Patient Protection and Affordable Care Act (Pub. L. 111-148, enacted on March 23, 2010). This SPA has been approved effective December 31, 2010, as requested by the State.

Changes are reflected in the following sections of your approved State Plan:

- Page 79dd.1
- Page 79dd.2

If you have any questions regarding this matter you may contact Marie Montemagno at (617) 565-1227 or by e-mail at Marie.Montemagno@cms.hhs.gov.

Sincerely,

Richard R. McGreal
Associate Regional Administrator

cc: Mark Schaefer, Director, Medical Care Administration

Enclosure/s

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 10-025	2. STATE: CT
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CMS/CMSO DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE December 31, 2010	
5. TYPE OF STATE PLAN MATERIAL (Check One):		
<input checked="" type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT		

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act 1902(a)(42)	7. FEDERAL BUDGET IMPACT: a. FFY 2011 - \$1.03 million - savings b. FFY 2012 - \$2.25 million - savings
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Page 79dd.1 and Page 79dd.2 (New)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable)

10. SUBJECT OF AMENDMENT: The Department of Social Services is proposing to revise its Medicaid State Plan effective December 31, 2010 in order to establish a program to contract with a Recovery Audit Contractor as required by Section 6411 of the Patient Protection and Affordable Care Act (Pub. L. 111-148, enacted on March 23, 2010). The RAC will audit payments to Medicaid providers and receive a contingency fee, not to exceed the rate paid to Medicare RACS, for overpayments and underpayments identified in the audits. As required by the Centers for Medicare & Medicaid Services, the RAC program will be fully operational by April 1, 2011.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:
13. TYPED NAME: Michael P. Starkowski	State of Connecticut Department of Social Services - 11 th floor 25 Sigourney Street Hartford, CT 06106-5033 Attention: Ginny Mahoney
14. TITLE: Commissioner	
15. DATE SUBMITTED: December 30, 2010	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/30/2010	18. DATE APPROVED: 3/21/11
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 12/31/10	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Richard R. McGreal	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health Operations

23. REMARKS:
FORM HCFA-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: CONNECTICUT

Citation

4.5 Medicaid Recovery Audit Contractor Program

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.

The State is seeking an exception to establishing such program for the following reasons:

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

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:

The State will make payments to the RAC(s) only from amounts recovered.

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

The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.

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):

The State will pay a contingency fee to the RAC. The contingency fee rate shall be no more than the highest Medicare RAC contingency rate in effect at the time of payment.

Section 1902 (a)(42)(B)(ii)(II)(bb)
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.

TN No. 10-025
Supersedes
TN No. New

Approval Date: 3/21/11

Effective Date: 12/31/2010

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: CONNECTICUTSection 1902 (a)(42)(B)(ii)(II)(bb)
of the Act X The following payment methodology shall be used to determine State payments to Medicaid RACs for underpayments:

The State will pay a contingency fee to the RAC. The contingency fee rate shall be no more than the highest Medicare RAC contingency rate in effect at the time of payment.

 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)(III)
of the Act X 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 X 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.Section 1902
(a)(42)(B)(ii)(IV)(cc) of the Act X 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.TN No. 10-025
Supersedes
TN No. NewApproval Date: 3/21/11Effective Date: 12/31/2010