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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 18, 2013

Roderick Bremby, Commissioner  
Department of Social Services  
25 Sigourney Street  
Hartford, Connecticut 06106

Dear Mr. Bremby:

We are pleased to enclose a copy of approved Connecticut State Plan Amendment (SPA) No. 12-030, submitted to my office on December 21, 2012. This SPA transmitted a proposed amendment to Connecticut's approved Title XIX State Plan in order to exempt the State from the requirements in 42 C.F.R §455.508(b) requiring that the State's Medicaid Recovery Audit Contractor ("Medicaid RAC") hire a minimum of 1.0 full-time equivalent ("FTE") Medical Director who is licensed to practice in the State. The Department proposed that, in lieu of requiring a 1.0 FTE Medical Director that they may allow the Medicaid RAC to have a Connecticut-licensed Contractor Medical Director ("CMD") who is dedicated to the Medicaid RAC, but not a FTE.

This SPA has been approved effective December 1, 2012, 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 (617) 565-9157 or by e-mail at [Marie.Montemagno@cms.hss.gov](mailto:Marie.Montemagno@cms.hss.gov)

Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

cc: Kate McEvoy, Associate Director of Medical Administration - Health Services and Supports



79dd.1

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: CONNECTICUTCitation

## 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:  
*The State is seeking an exception to 42 C.F.R. §455.508(b), requiring the State's RAC to have a 1.0 full-time equivalent (FTE) Medical Director licensed to practice in Connecticut because this requirement would present an undue burden on the RAC and would not be cost-effective.*

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.

TN No. 12-030  
Supersedes  
TN No. 10-025

Approval Date: 3/18/2013Effective Date: 12/01/2012

79dd.2

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: CONNECTICUTSection 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.

Section 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. 12-030**  
**Supersedes**  
**TN No. 10-025**

Approval Date: 3/18/2013Effective Date: 12/01/2012