

## **Table of Contents**

**State/Territory Name: Washington, D.C.**

**State Plan Amendment (SPA) #: 34/23**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 5+"Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
150 S. Independence Mall West  
Suite 216, The Public Ledger Building  
Philadelphia, Pennsylvania 19106-3499



**REGION III/DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS**

SWIFT #071620124017

**AUG 13 2012**

Linda Elam, PhD., MPH  
Deputy Director, Medicaid and CHIP  
Department of Health Care Finance  
899 North Capitol Street, NE  
Washington, DC 20002

Dear Dr. Elam:


This letter is notice of our approval of your State Plan Amendment (SPA) DC 12-01, Recovery Audit Contractor (RAC) Program. This SPA allows the District of Columbia to establish programs to contract with one or more Medicaid RACs, in accordance with Section 6411 of the Affordable Care Act.

The purpose of the Medicaid RAC Program is to identify overpayments and underpayments and to recoup overpayments under the State Plan and under any waiver of the State Plan. The effective date for this amendment is October 1, 2012. The signed CMS-179 form and the approved State Plan pages are enclosed.

If you have questions about this SPA, please contact Barbara Williamson, at (215) 861-4721.

Sincerely,

/s/

 Francis McCullough  
Associate Regional Administrator

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>12-01</b>	2. STATE District of Columbia
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2012
TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services		

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 AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION Section 1902(a)(42)(B)(i)	7. FEDERAL BUDGET IMPACT a. FFY 13 \$0 b. FFY 14 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.5, pp 1-2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  NEW

10. SUBJECT OF AMENDMENT:  
**Recovery Audit Contractor Program SPA**

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Resolution Number: 19-694  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL <i>[Signature]</i>	16. RETURN TO Linda Elam, Ph.D. Deputy Director/Medicaid Director Department of Health Care Finance 899 N. Capitol St., NE Washington, DC 20002
13. TYPED NAME Linda Elam, Ph.D.	
14. TITLE Deputy Director/Medicaid Director	
15. DATE SUBMITTED June 6, 2012	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED <b>JUNE 7, 2012</b>	18. DATE APPROVED <b>AUG 13 2012</b>
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL <b>OCTOBER 1, 2012</b>	20. SIGNATURE OF REGIONAL OFFICIAL <i>[Signature]</i>
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21. TYPED NAME <b>FRANCIS Mc CULLOUGH</b>	22. TITLE <b>ASSOCIATE REGIONAL ADMINISTRATOR DIV. OF MEDICARE &amp; CHILDREN'S HEALTH SERVICES</b>
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23. REMARKS

**SECTION 4 - GENERAL PROGRAM ADMINISTRATION**

State/Territory: DISTRICT OF COLUMBIA

**4.5 Medicaid Recovery Audit Contractor Program**

<p><u>Citation</u> Section 1902(a)(42)(B)(i) of the Social Security Act</p>	<p><input type="checkbox"/> 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.</p> <p><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p><b>The Department of Health Care Finance (DHCF) procures goods and services through the District's centralized Office of Contracting and Procurement. Based on the additional approvals required, DHCF will operationalize the RAC Program no later than October 1, 2012.</b></p>
<p>Section 1902(a)(42)(B)(ii)(I) of the Act</p>	<p><input checked="" type="checkbox"/> 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.</p> <p>Place a check mark to provide assurance of the following:</p> <p><input checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input checked="" type="checkbox"/> The State will make payments to the RAC(s) on a contingent Basis for collecting overpayments.</p>
<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p> <p><input checked="" type="checkbox"/> The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.</p> <p><input type="checkbox"/> 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.</p>

**SECTION 4 - GENERAL PROGRAM ADMINISTRATION**State/Territory: DISTRICT OF COLUMBIA

<p>Section 1902 (a)(42)(B)(ii)(I)(bb) of the Act</p>	<p><input type="checkbox"/> 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.</p> <p><input checked="" type="checkbox"/> 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):</p> <p style="text-align: center;"><b>100% of the contingency fee used under the Medicare RAC Program will be paid to Medicaid RACs.</b></p>
<p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p><input checked="" type="checkbox"/> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p>	<p><input checked="" type="checkbox"/> 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.</p>
<p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p><input checked="" type="checkbox"/> The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act</p>	<p><input checked="" type="checkbox"/> 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.</p>