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State/Territory Name: Florida

State Plan Amendment (SPA) #:16-0019

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 Atlanta Regional Office 61 Forsyth Street, Suite 4T20 Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

August 29, 2016

Justin M. Senior Deputy Secretary for Medicaid Agency for Health Care Administration 2727 Mahan Drive, Mailstop #20 Tallahassee, FL 32308

ATTN: April Cook

RE: Title XIX State Plan Amendment 16-0019

Dear Mr. Senior:

We have reviewed the proposed amendment to the Florida State Plan, submitted under transmittal number FL 16-0019. This amendment is requesting an exception to the federal mandate that directs the state to establish a Medicaid RAC to audit providers furnishing services through the fee-for-service delivery system.

Based on the information provided, this amendment was approved on August 29, 2016. The effective date is June 30, 2016. We are enclosing the approved form HCFA 179 and plan pages. If you have any questions, please contact Cheryl L. Brimage at 404-562-7116 or by email at cheryl.brimage@cms.hhs.gov.

Sincerely,

//s//

Jackie Glaze Associate Regional Administrator Division of Medicaid & Children's Health Operations

Enclosure

TED ANOMITE AT AND NOTICE OF ADDROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE
TRANSMITTAL AND NOTICE OF APPROVAL OF	1	Florida
STATE PLAN MATERIAL	2016-019	FIORIUA
		TELE THE SECTION
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: T	
A SAME AND A TRANSPORT OF THE PROPERTY OF THE	SOCIAL SECURITY ACT (MEDI	CAID)
TO, DECIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
TO: REGIONAL ADMINISTRATOR	1	
HEALTH CARE FINANCING ADMINISTRATION	June 30, 2016	
DEPARTMENT OF HEALTH AND HUMAN SERVICES	<u>L</u>	
5. TYPE OF PLAN MATERIAL (Check One):		
		M AMENIDA (ENT
□ 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: (ii	n thousands)
Section 1902(a)(42)(B)(i) of the Act	FFY 2015-2016 \$0	
	FFY 2016-2017 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPER	SEDED PLAN SECTION
Section 4.5b	OR ATTACHMENT (If Applicable	e):
	Section 4.5b	
10 CHOLEGE OF TAKENER AND THE		
10. SUBJECT OF AMENDMENT: Medicaid Recovery Audit Contracto	or Program Exception	
11. GOVERNOR'S REVIEW (Check One):		
GOVERNOR'S OFFICE REPORTED NO COMMENT	ENT	
		outy Secretary for Medicaid
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	who is the Governor	's designee.
A CHANGE OF CENTER A CENTAR OF CENTER A	16 DETUDNITO	
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
//s//	Mr. Justin M. Senior	
13. TYPED NAME: Mr. Justin M. Senior	Agency Secretary for Medicaid	
13. 1 11 ED WANE. WIL. Wastin W. Schlor	2727 Mahan Drive, Mail Stop #8	
14. TITLE:	Tallahassee, FL 32308	
Deputy Secretary for Medicaid		
15. DATE SUBMITTED: 06/30/16	Attention: April Cook	
		4. A
17. DATE RECEIVED:	18. DATE APPROVED: 08/29/	10
06/30/16		
	ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONA	L OFFICIAL:
06/30/16	//s//	
21. TYPED NAME:	22. TITLE: Associate Regional A	dministrator
Jackie Glaze	Division of Medicaid & Children	
23. REMARKS:		
23. REWARKS,		
		•

Revision:	
State	Florida

PROPOSED SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5b Medicaid Recovery Audit Contractor Program

	,
<u>Citation</u> Section 1902(a)(42)(B)(i)	The State has established a program under which it will contract
of the Social Security Act	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:
	Beginning in 2013 and 2014, the Florida Medicaid Program initiated a major shift toward use of a managed health care delivery system that pays plans based on established capitation rates. Subsequently, approximately 82% of Florida's Medicaid recipients are now enrolled in a health plan.
	Florida is requesting an extension to the current exception to establish a Medicaid RAC program for the following reasons:
	1) The current Medicaid RAC audit program requirements generally address auditing providers furnishing services under a fee-for-service delivery system,
	2) The Medicaid RAC Rule 42 CFR ss455.506(a)(1) provides that "States may exclude managed care claims from review by the Medicaid RAC, 3) As managed care enrollment continues to increase in Florida, the number of fee-for-service claims are continuing to decline,
	4) Florida's Office of Medicaid Program Integrity will continue to perform audits, and
Section 1902(a)(42)(B)(ii)(I) of the Act	5) As an adjunct to the audits performed by Florida's Office of Medicaid Program Integrity, the Office of Medicaid Program Integrity coordinates audits with a vendor that performs audits on providers furnishing services under a fee-for-service delivery system.
	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.

TN No. <u>2016-019</u> Supersedes: TN No. <u>2015-001</u>

Approval Date: <u>08-29-16</u> Effective Date: <u>6/30/16</u>

Effective Date: 6/30/16

	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 (e.g., the percentage of the contingency fee):
	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.
	The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RAC as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.
C	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
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	fee. 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	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	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	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	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.