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State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: 18-025

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



Boston Regional Operations Group

March 12, 2019

Marylou Sudders, Secretary
Executive Office of Health and Human Services
One Ashburton Place, Room 1109
Boston, Massachusetts 02108

Dear Secretary Sudders:

We are pleased to enclose a copy of approved Massachusetts State Plan Amendment (SPA) No. 18-025, submitted to CMS on December 31, 2018. This SPA was submitted to revise your approved Title XIX State plan to waive the Recovery Audit Contractor (RAC) program requirements.

CMS has approved an exception to the RAC requirements for a two-year period ending September 30, 2020. This SPA was approved on March 12, 2019 and is effective October 1, 2018.

Enclosed are copies of the following approved State plan pages.

- Section 4, pages 36, 36i, and 36a.

If you have any questions regarding this matter you may contact Julie McCarthy at (617) 565-1244 or by e-mail at Julie.McCarthy@cms.hhs.gov.

Sincerely,

/s/

Richard R. McGreal, Director
Division of Medicaid Field Operations East

Enclosure/s

cc: Daniel Tsai, Assistant Secretary for MassHealth, Medicaid Director
Kaela Konefal, Federal Authority Policy Analyst/State Plan Coordinator

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>1 8 — 0 2 5</u>	2. STATE MA
		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 10/01/2018	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION 42 U.S.C. 1396a(a)(42)(B)		7. FEDERAL BUDGET IMPACT a. FFY 2019 _____ \$ 0 b. FFY 2020 _____ \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 4 pages 36-36a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Section 4 pages 36-36a	
10. SUBJECT OF AMENDMENT Recovery Audit Contractor			
11. GOVERNOR'S REVIEW (<i>Check One</i>) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Not required under 42 CFR 430.12(b)(2)(i). <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL /s/		16. RETURN TO Kaela Konefal State Plan Coordinator Executive Office of Health and Human Services Office of Medicaid One Ashburton Place, 11th Floor Boston, MA 02108	
13. TYPED NAME Marylou Sudders			
14. TITLE Secretary			
15. DATE SUBMITTED 12/31/2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED 12/31/2018		18. DATE APPROVED 03/12/2019	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL 10/01/2018		20. SIGNATURE OF REGIONAL OFFICIAL /s/	
21. TYPED NAME Richard R. McGreal		22. TITLE Director, Division of Medicaid Field Operations East	
23. REMARKS SPA includes pages 36, 36i (new), and 36a			

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Section 4 General Program Administration

4.5 Medicaid Audit Recovery Program

Citation

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 has mitigated the need for the RAC contractor through the following state processes and agreements:

- Anti-fraud, waste, and abuse activities, including pre-payment and post-payment reviews, financial and provider audits, and utilization management activities, carried out by MassHealth’s managed care plans (MCOs and PHIP).
- Physical health provider audits and other recovery activities carried out by the Provider Compliance Unit.
- LTSS provider audits and other recovery activities carried out by LTSS third party administrator vendor.
- Acute hospital utilization management including pre-payment and post-payment reviews carried out by acute hospital utilization control vendor.
- Dental provider audits carried out by dental third party administrator vendor.
- Third party liability program integrity activities carried out by third party liability unit.
- Financial audits of hospitals and nursing facilities carried out by the Financial Compliance Unit.
- Pre-pay reviews carried out by MassHealth Program Integrity Unit through its NetReveal system.
- Provider and program audits carried out by the Massachusetts Office of Inspector General.

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

- Provider and program audits carried out by the Massachusetts Office of the State Auditor.
- Provider investigations carried out by the Massachusetts Attorney General Office’s Medicaid Fraud Division.

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 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.

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4.5 Medicaid Audit Recovery Program

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.

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.

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

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):
Specific payment methodology is not yet determined as the State has not yet entered into a contract

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.