

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**

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**MAR 24 2011**

Susan J. Tucker  
Acting Deputy Secretary  
Health Care Financing  
MD Department of Health and Mental Hygiene  
201 West Preston Street, Suite 525  
Baltimore, MD 21201

Dear Ms. Tucker:

Enclosed is a copy of the approved State Plan Amendment (SPA), Transmittal Number 10-15, which allows the State to establish programs to contract with one or more Medicaid Recovery Audit Contractors (RAC), in accordance with Section 6411 of the Affordable Care Act. The purpose of the Medicaid RAC is to identify overpayments and underpayments to recoup overpayments under the State Plan and under any waiver of the State Plan.

Maryland is hereby granted an exception to Section 6411 of the Affordable Care Act. This approved exception allows the State to continue to collect overpayments and the contingency fee directly from providers, in accordance with previously enacted State regulations. The contingency fee will then be paid to the Medicaid RAC, and the recovered amounts will be returned to the State and Federal Governments, based on the State's Federal Medical Assistance Percentage.

The effective date for this amendment is October 1, 2010. The signed CMS-179 form and the approved State Plan pages are enclosed.

If you have questions about this SPA, please contact Rosemary Feild, at (215) 861-4278.

Sincerely,

A handwritten signature in black ink that reads "Ted Gallagher". The signature is written in a cursive, slightly slanted style.

Ted Gallagher  
Associate Regional Administrator

Enclosures

cc: Susan Harrison – MD DHMH  
Rebecca Hyman – MD DHMH