

Table of Contents

State/Territory Name: Maryland

State Plan Amendment (SPA) #: 17-0010

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
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 # 083020174171

November 8, 2017

Dennis Schrader, Secretary
Maryland Department of Health
201 West Preston Street
Baltimore, MD 21201

Dear Mr. Schrader:

Enclosed is a copy of the approved State Plan Amendment (SPA), Transmittal Number 17-0010. This SPA updates Maryland's State Plan to update Recovery Audit Contractor Slate Plan pages and to request a waiver for the Recovery Audit Contractor.

The effective date for this amendment is July 1, 2017. The CMS 179 form and the Approved State Plan pages are attached.

If you have questions about this SPA, please contact Talbatha Myatt of my staff at 215-861-4259.

Sincerely,

for

Francis McCullough
Associate Regional Administrator

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 17-0010	2. STATE Maryland
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	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 July 1, 2017	
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: N/A	7. FEDERAL BUDGET IMPACT: a. FFY 2015: \$ 0 b. FFY 2016: \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 1, pg 79y – 79y-1 (AMEND)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> : Att. 1, pg 79y& 79y-1 (16-0004)	
10. SUBJECT OF AMENDMENT: To update Recovery Audit Contractor State Plan pages to request a waiver for the 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 Susan J. Tucker, Executive Director <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Office of Health Services		
12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/	16. RETURN TO: Susan J. Tucker, Executive Director OHS – MDH 201 W. Preston St., 1 st floor Baltimore, MD 21201	
13. TYPED NAME: Dennis Schrader	(Continued from previous block)	
14. TITLE: Secretary, Maryland Department of Health		
15. DATE SUBMITTED: August 30, 2017		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: August 30, 2017	18. DATE APPROVED: November 8, 2017	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2017	20. SIGNATURE: /s/ [Redacted] L: [Redacted]	
21. TYPED NAME: Francis T. McCullough	22. TITLE: Associate Regional Administrator	
REMARKS:		

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

<p>Citation Section 1902(a)(42)(B)(i) Of the Social Security Act</p>	<p>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>Under the state’s predominantly managed care delivery system, there is not sufficient fee-for-service claims volume to attract a RAC contractor. The State mitigates the need for the RAC contractor through the following agreements and processes:</p> <ul style="list-style-type: none"> • Managed care audits; • Maryland’s Utilization Control Agent for hospital & long term care services’ claims; • Maryland’s Office of Inspector General’s outlier claims analysis; • Maryland’s Administrative Services Organization’s audit requirements for mental and substance use disorder services; • The Independent Review Organization responsible for reviewing claims where medical necessity at issue; and • The Medical Integrity Program for dual-eligible beneficiaries. <p>___ 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>Section 1902(a)(42)(B)(ii)(I) of the Act</p>	<p>Place a check mark to provide assurance of the following:</p> <p>___ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>___ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p>
<p>Section 1902(a)(42)(B)(ii)(I)(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>___ 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>___ 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**4.5 Medicaid Recovery Audit Contractor Program**

	<p>_____ 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>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p>	<p>_____ 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>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p>_____ 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>_____ 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 waiver of the plan.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p>_____ 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>_____ 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>