

Table of Contents

State/Territory Name: Missouri

State Plan Amendment (SPA) #: 16-0005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 355
Kansas City, Missouri 64106



Division of Medicaid and Children's Health Operations

September 22, 2016

Brian Kinkade, Director,
Department of Social Services
Broadway State Office Building
PO Box 1527
Jefferson City, MO 65102-1527

Dear Mr. Kinkade:

The Centers for Medicare & Medicaid Services (CMS), Kansas City Regional Office, has completed its review of Missouri State Plan Amendment (SPA) Transmittal Number #16-005. This SPA was submitted on February 9, 2016, seeking an exception to the Medicaid Recovery Audit Contractor (RAC) Program in accordance with 42 §CFR 455.516.

CMS is granting the state an exception in accordance with 42 §CFR 455.516 until January 1, 2018. At this time, it is not permissible to grant an exception to this policy indefinitely or beyond two (2) years.

SPA 16-005 was approved on September 21, 2016, with an effective date of January 1, 2016, as requested by the state. Enclosed is a copy of the CMS 179 form, as well as, the approved pages for incorporation into the Missouri State plan.

If you have any questions regarding this state plan amendment, please contact Sandra Levels at Sandra.Levels@cms.hhs.gov or (816) 426-5925.

Sincerely,

//s//

James G. Scott
Associate Regional Administrator
for Medicaid and Children's Health Operations

Enclosure

cc:
Joseph Parks, M.D., Director
Debbie Meller

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER: <u>16</u> - <u>05</u>	2. STATE Missouri
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE 12/01/2015 January 1, 2016 *	

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: 42 CFR 455.516	7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$ <u>0</u> b. FFY 2017 \$ <u>0</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 36b and 36c	9. PAGE NUMBER OF THE SUPERSEDES PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:
Waiver of State's requirement to contract with a Recovery Audit Contractor (RAC)

11. GOVERNOR'S REVIEW (Check One)

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

12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPE NAME: Brian D. Kinkade 14. TITLE: Director 15. DATE SUBMITTED:	16. RETURN TO: MO HealthNet Division P.O. Box 6500 Jefferson City, MO 65102
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FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: February 9, 2016	18. DATE APPROVED: September 21, 2016
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2016	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: James G. Scott	22. TITLE: Associate Regional Administrator for Medicaid and Children's Health Operations
23. REMARKS: Pen and Ink changes per state request dated 2.19.16	

*Pen and ink changes per email dated 2.19.16.

State: Missouri

Revised Submission 9.21.16

PROPOSED SECTION 4 – GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p> <p>Section 1902(a)(42)(B)(ii)(I) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the 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 until January 1, 2018 for the following reasons:</p> <p>The request for proposal for a recovery audit contractor to begin work December 1, 2015 was issued June 30, 2015 – RFP B3Z15262. The response period closed July 30, 2015. Missouri received no responses.</p> <p>A second request for proposal for a recovery audit contractor to begin work on December 1, 2015 was issued August 13, 2015 – RFP B3Z16035. The response period closed September 14, 2015. Missouri received no responses.</p> <p><input 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 type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input type="checkbox"/> The State will make payments to the RAC(s) on a contingent Basis for collecting overpayments.</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 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>
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Revised Submission 4.7.16

State: Missouri

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