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State/Territory Name: Mississippi

State Plan Amendment (SPA) #: 16-0015

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

July 18, 2016

Dr. David J. Dzielak, Executive Director
Mississippi Division of Medicaid
Attn: Margaret Wilson
550 High Street, Suite 1000
Jackson, Mississippi 39201-1399

RE: Title XIX State Plan Amendment, MS 16-0015

Dear Dr. Dzielak:

We have reviewed the proposed Mississippi State Plan Amendment 16-0015, which was submitted to the Atlanta Regional Office on May 18, 2016. The SPA was submitted to request a one year exception to 42 CFR 455.502(b) contracting with a Recovery Audit Contractor (RAC) and expands the duties of the current Medicaid Integrity Contractor.

Based on the information provided, the Medicaid State Plan Amendment MS 16-0015 was approved on July 18, 2016. The effective date of this amendment is April 1, 2016. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact Tandra Hodges at (404) 562-7409 or email Tandra.Hodges@cms.hhs.gov.

Sincerely,

//s//

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

Enclosures

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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL | | 1. TRANSMITTAL NUMBER: 16-0015 | 2. STATE MS |
| FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES | | 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 04/01/2016 | |
| 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 CFR §§ 455.502(b), 455.516. | | 7. FEDERAL BUDGET IMPACT: FY 2016: \$0.00 FY 2017: \$0.00 | |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Section 4, Pages 36b and 36c | | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Section 4, Pages 36b and 36c | |
| 10. SUBJECT OF AMENDMENT: SPA 16-0015 Recovery Audit Contractors (RACs) is being submitted to request a one (1) year exception to 42 CFR § 455.502(b), which requires contracting with a RAC. The State also seeks to expand the duties of the current Medicaid Integrity Contractor to include audits that were previously performed by the RAC. | | | |
| 11. GOVERNOR'S REVIEW (<i>Check One</i>): | | | |
| <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL | | | |
| 12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>/s/</i> | | 16. RETURN TO: David J. Dzielak Miss. Division of Medicaid Attn: Margaret Wilson 550 High Street, Suite 1000 Jackson, MS 39201-1399 | |
| 13. TYPED NAME: David J. Dzielak | | | |
| 14. TITLE: Executive Director | | | |
| 15. DATE SUBMITTED: 05/18/2016 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED: 05/18/16 | | 18. DATE APPROVED: 07/18/16 | |
| PLAN APPROVED – ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/16 | | 20. SIGNATURE OF REGIONAL OFFICIAL: | |
| 21. TYPED NAME: Jackie Glaze | | 22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns | |
| 23. REMARKS: | | | |

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State of Mississippi

4.5 Medicaid Recovery Audit Contractor Program

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| <p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security 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>Section 1902 (a)(42)(B)(ii)(I) of the Act</p> | <p><input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons:</p> <p>Pursuant to 42 CFR § 455.516, the Division of Medicaid is seeking an exception to 42 CFR § 455.502(b), which requires contracting with a RAC. The Division of Medicaid's RAC contract expired in 2015, and the Division of Medicaid received no completely responsive proposals in response to two (2) separate procurements. The Division of Medicaid requests an exception to the RAC requirements for a period of one (1) year from the approval date of State Plan Amendment (SPA) 16-0015 in order to attempt to procure a RAC vendor. Additionally, the Division of Medicaid seeks to expand the duties of the current Medicaid Integrity Contractor to include audits that were previously performed by the RAC, including auditing inpatient All Patient Refined Diagnosis Related Groups (APR-DRG) validation billing in an effort to identify overpayments, during the one (1) year exception period.</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>Section 1902(a)(42)(B)(ii)(II)(aa) of the Act</p> | <p>Place a check mark to provide assurance of the following:</p> <p><input type="checkbox"/> The State will make payments to 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 over payments.</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> <p><input type="checkbox"/> 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> |

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
 MEDICAL ASSISTANCE PROGRAM

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| | <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): Flat fee established through procurement process.</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)(N)(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> |