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**State/Territory Name: OH**

**State Plan Amendment (SPA) #: 16-0010**

This file contains the following documents in the order listed:

- 1) Technical Correction Letter
- 2) Original Approval Letter
- 3) CMS-179 Form
- 4) Approved SPA Pages

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



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November 15, 2016

John McCarthy, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: Technical Correction to Ohio State Plan Amendment (SPA) TN 16-010

Dear Mr. McCarthy:

This is a technical correction to Ohio SPA 16-010 which was approved on October 28, 2016. With the approval of Ohio SPA 16-010, the Centers for Medicare & Medicaid Services (CMS) granted the Ohio Department of Medicaid (ODM) an exception to the Recovery Audit Contractor (RAC) program for a period of two years beginning January 1, 2016. We are issuing this technical correction to clarify that ODM's RAC program exception, as approved by CMS, expires on December 31, 2017.

If you have any questions, please contact Christine Davidson, of my staff, at (312) 886-3642 or [christine.davidson@cms.hhs.gov](mailto:christine.davidson@cms.hhs.gov) if you have any questions.

Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Sarah Curtin, ODM  
Carolyn Humphrey, ODM  
Greg Niehoff, ODM  
Rebecca Jackson, ODM

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



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October 28, 2016

John B. McCarthy, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: TN 16-010

Dear Mr. McCarthy:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA):

Transmittal #16-010      - Recovery Audit Contractor (RAC) Program Exception  
   - Effective Date: January 1, 2016

If you have any questions about this SPA, please contact Christine Davidson at (312) 886-3642 or by email at [christine.davidson@cms.hhs.gov](mailto:christine.davidson@cms.hhs.gov).

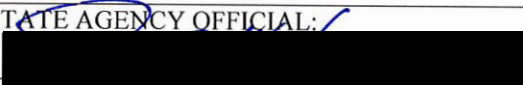
Sincerely,

/s/

Ruth A. Hughes  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Carolyn Humphrey, ODM  
Sarah Curtin, ODM  
Becky Jackson, ODM  
Greg Niehoff, ODM

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>16-010</b>	2. STATE <b>OHIO</b>
<b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		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 <b>1/1/16</b>	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> <b>AMENDMENT</b> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 1902(a)(42)(B) of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2016                      (\$863) thousands b. FFY 2017                      (\$1,123) thousands	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Sec. 4.5, pages 36b and 36c		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Sec. 4.5, pages 36b and 36c (TN 12-009)	
10. SUBJECT OF AMENDMENT: Recovery Audit Contractor (RAC) Exception			
11. GOVERNOR'S REVIEW (Check One):			
<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		The State Medicaid Director is the Governor's designee	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: <b>JOHN B. McCARTHY</b>		Carolyn Humphrey Ohio Department of Medicaid P.O. BOX 182709 Columbus, Ohio 43218	
14. TITLE: <b>STATE MEDICAID DIRECTOR</b>			
15. DATE SUBMITTED: <b>March 7, 2016</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>March 7, 2016</b>		18. DATE APPROVED: <b>October 28, 2016</b>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>January 1, 2016</b>		20. SIGNATURE OF REGIONAL OFFICIAL:  /s/	
21. TYPED NAME: <b>Ruth A. Hughes</b>		22. TITLE: <b>Associate Regional Administrator</b>	
23. REMARKS:			

**Instructions on Back**

Revision:

State: Ohio

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

<p><u>Citation</u> 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: In the spring of 2015, the State let a request for proposals (RFP) for a new RAC. The RFP was open for a total of eight weeks. During the question and answer time, there were no questions submitted by any vendor and by the close of the response time, the State had received no proposals.</p> <p>In Ohio, almost 84% of Medicaid beneficiaries are enrolled in a Managed Care Plan (MCP) as of June 2016. That percentage is projected to increase in the near future; the Breast and Cervical Cancer Program is slated to move to managed care on January 1, 2017, and behavioral health services will be carved into managed care beginning January 1, 2018.</p> <p>The State requests that it be granted an exception to the RAC requirements in order to expand utilization review work under the fixed-fee model.</p>
<p>Section 1902 (a)(42)(B)(ii)(II) (aa) of the Act</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> <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>

Medicaid State Plan Preprint Page

Revision:

State: Ohio

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</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>The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments:</p> <p>Full contingency fee</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>__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>__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>__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>
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TN: 16-010  
Supersedes:  
TN: 12-009

Approval Date: 10/28/16  
Effective Date: 01/01/2016