

## **Table of Contents**

**State/Territory Name: Ohio**

**State Plan Amendment (SPA) #: 17-046**

This file contains the following documents in the order listed:

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

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



---

February 1, 2018

Barbara R. Sears, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

RE: State Plan Amendment (SPA) TN 17-046

Dear Ms. Sears:

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

Transmittal #17-046            - Recovery Audit Contractor (RAC) Exception 2018-2019  
   - Effective Date: January 1, 2018  
   - Approval Date: February 1, 2018

With the approval of SPA 17-046, the Centers for Medicare & Medicaid Services has granted the Ohio Department of Medicaid an exception to the RAC program for a period of two years beginning January 1, 2018 through January 1, 2020.

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: Carolyn Humphrey, ODM  
Greg Niehoff, ODM  
Rebecca Jackson, ODM

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>17-046</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>1/1/18</b>	
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"/> <b>AMENDMENT</b>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: 1902(a)(42)(B) of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2018 \$0 b. FFY 2019 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Sec. 4.5, page 36b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Sec. 4.5, page 36b (TN 16-010)	
10. SUBJECT OF AMENDMENT: Recovery Audit Contractor (RAC) Exception 2018			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The State Medicaid Director is the Governor's designee	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: <b>BARBARA R. SEARS</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>December 19, 2017</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>December 19, 2017</b>		18. DATE APPROVED: <b>February 1, 2018</b>	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>January 1, 2018</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**

Medicaid State Plan Preprint Page

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>— 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><u>X</u> The State is seeking an exception to establishing such program for the following reasons:</p>
<p>Section 1902 (a)(42)(B)(ii) (I) of the Act</p>	<ul style="list-style-type: none"> <li>• The RAC is restricted to auditing Fee-For-Service (FFS) providers. In Ohio, 87.1% of Medicaid beneficiaries are enrolled in a Managed Care Plan (MCP) as of July 2017. That percentage is projected to increase in the near future with the implementation of Managed Long-Term Services and Supports (MLTSS). The State projects 87.47% will be in a MCP in June 2018. Therefore, the State does not project any large recoveries in the future for the RAC.</li> <li>• Ohio has robust and effective program integrity in place; therefore, a RAC is not effective in Ohio. Ohio has several program integrity initiatives in place to combat fraud, waste, and abuse (FWA) in our state’s Medicaid program, including:             <ul style="list-style-type: none"> <li>○ Individual Provider – Claim Analysis Reports;</li> <li>○ Surveillance and Utilization Review Systems with extended capabilities utilizing third party software applications;</li> <li>○ Advanced Program Integrity Data Analytics proven effective in identifying FWA;</li> <li>○ Federal Unified Program Integrity Contractor (Medi- Medi);</li> <li>○ Access to the One Program Integrity (PI) data repository;</li> <li>○ Hospital Utilization Review Contractor with net recoveries &gt;\$20 million; and</li> <li>○ Implementation of an Electronic Visit Verification program utilizing geotracking for home health providers in January 2018.</li> </ul> </li> <li>• The Payment Error Rate Measurement (PERM) program has shown that Ohio’s Medicaid Program error rate has been far less than the national average.</li> </ul> <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) (II)(aa) 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>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>