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State Name: Virginia

State Plan Amendment (SPA) #: 15-014

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

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 #120820154001

February 29, 2016

Cynthia B. Jones, Director
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

Dear Ms. Jones:

The Centers for Medicare & Medicaid Services (CMS) has reviewed Virginia's State Plan Amendment (SPA) 15-014, Recovery Audit Contractor. Section 1902(a)(42)(B) of the Social Security Act requires the Department of Medical Assistance Services (DMAS) to have a Medicaid Recovery Audit Contractor (RAC) program. 42 CFR §455.51 allows DMAS to file requests for exceptions to the RAC requirements by submitting a written justification to CMS through the State Plan Amendment process.

The purpose of this State Plan Amendment is to request an exception from the RAC requirements for a limited time while the contract is undergoing procurement. The Virginia RAC contract year was due to expire on August 31, 2015 with the option for DMAS and the contractor to renew for one additional year. DMAS and the contractor entered negotiations but failed to come to an agreement. The contractor notified DMAS on October 6, 2015 that it would not be renewing the contract for the option year. DMAS is re-procuring the contract, but during that period DMAS will not have a RAC contractor.

This SPA is acceptable. Therefore, we are approving SPA 15-014 with an effective date of October 7, 2015. Enclosed is the approved SPA page and signed CMS-179 form.

If you have further questions about this SPA, please contact Margaret Kosherzenko of my staff at 215-861-4288.

Sincerely,

/S/

Francis McCullough
Associate Regional Administrator

Enclosures

12/17/15 Gu
Pen & ink change

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL OR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 1 5 - 0 1 2 4 </div>	2. STATE <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Virginia </div>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
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"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE <div style="border: 1px solid black; padding: 2px; display: inline-block;"> October 1, 2015 </div>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 42 CFR Part 455.516 </div>	7. FEDERAL BUDGET IMPACT a. FFY 2016 \$ -0- b. FFY 2017 \$ -0-		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Preprint page 36b </div>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Same page </div>		
10. SUBJECT OF AMENDMENT <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Recovery Audit Contractor </div>			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT ²⁰¹⁶ <input checked="" 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 /s/ 13. TYPED NAME <div style="border: 1px solid black; padding: 2px; display: inline-block;">Cynthia B. Jones</div>		16. RETURN TO <div style="border: 1px solid black; padding: 5px;"> Dept. of Medical Assistance Services 600 East Broad Street, #1300 Richmond VA 23219 Attn: Regulatory Coordinator </div>	
14. TITLE <div style="border: 1px solid black; padding: 2px; display: inline-block;">Director</div>		15. DATE SUBMITTED <div style="border: 1px solid black; padding: 2px; display: inline-block;">11/24/15</div>	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 12/04/2015 </div>	18. DATE APPROVED <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 02/29/2016 </div>		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL <div style="border: 1px solid black; padding: 2px; display: inline-block;"> 10/07/2015 </div>	20. SIGNATURE OF REGIONAL OFFICIAL /s/		
21. TYPED NAME <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Francis McCullough </div>	22. TITLE <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Associate Regional Administrator </div>		
23. REMARKS			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of VIRGINIA

4.5b Medicaid Recovery Audit Contractor Program

<p><u>Citation</u> § 1902(a)(42)(B)(i) of the Social Security Act</p> <p>§ 1902(a)(42)(B)(ii)(I) of the Act</p> <p>§ 1902(a)(42)(B)(ii)(II)(aa) of the Act</p>	<p><input checked="" 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 for the following reasons: As of October 7, 2015, DMAS will not have a recovery audit contractor for a limited time while the contract is undergoing procurement.</p> <p><input checked="" type="checkbox"/> The State/Medicaid agency has contracts of the type(s) listed in § 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 checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><input checked="" 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 checked="" 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 <i>Federal Register</i>.</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 <i>Federal Register</i>. The State will only submit for FFP up to the amount equivalent to that published rate.</p>
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